8/10/88 U7475-2 A

SURVEYS OF CONSUMERS

SURVEY RESEARCH CENTER
UNIVERSITY OF MICHIGAN

Institute for Social Research

SURVEYS OF CONSUMERS

JULY 1988

The July 1988 survey was the 240th in a series of Surveys of Consumers conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results for the total sample will differ by no more than 5 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

While every effort is made to accurately measure consumer attitudes and expectations, factors other than sampling may also affect the accuracy of these (and other) findings. These factors may include effects of the question wording, the ability of respondents to articulate answers and opinions, refusal to participate in the survey, and incomplete coverage of the population. There are no standard measures of these effects, but their presence should be acknowledged when using these and all other survey data. While measurement effects are present in all surveys, a noted advantage of time-series data is that the non-sampling influences remain relatively constant across samples.

© The University of Michigan, 1988

TABLE OF CONTENTS

TABLE	*TITLE*
1	The Index of Consumer Sentiment
2	Index of Consumer Sentiment within Region and Age Subgroups
3	Components of the Index of Consumer Sentiment
4	Current Financial Situation Compared to a Year Ago
5	Selected Reasons for Opinions About Personal Financial Situation
6	Expected Change in Financial Situation
7	Trend in Personal Financial Situation
8	Expected Family Income Change During the Next 12 Months
9	Expected Change in Real Family Income
10	News Heard of Recent Changes in Business Conditions
11	Selected Items of News Heard of Recent Changes in Business Conditions
12	Current Business Conditions Compared to a Year Ago
13	Expected Change in Business Conditions in a Year
14	Trend in Past and Expected Changes in Business Conditions
15	Business Conditions Expected During the Next 12 Months
16	Business Conditions Expected During the Next 5 Years
17	Expected Change in Unemployment
18	Expected Change in Interest Rates
19	Expected Change in Prices During the Next 12 Months
20	Opinions About the Government's Economic Policy
21	Buying Conditions for Large Household Goods
22	Selected Reasons for Opinions About Buying Conditions for Large Household Goods
23	Buying Conditions for Houses
24	Selected Reasons for Opinions About Buying Conditions for Houses
25	Buying Conditions for Cars
26	Selected Reasons for Opinions About Buying Conditions for Cars

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

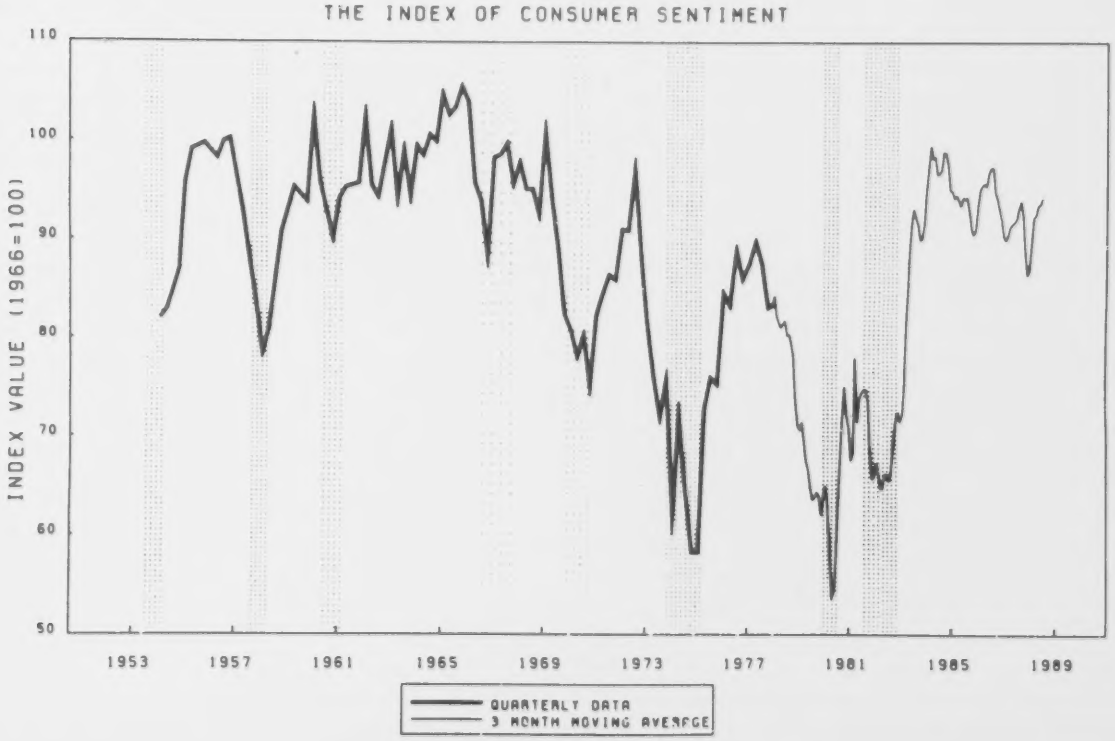


TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		All families	Families with incomes over $30,000	Families with incomes over $40,000
July	1985	94.0	105.2	109.5
August	1985	92.4	106.7	110.2
September	1985	92.1	101.7	104.9
October	1985	88.4	99.6	107.4
November	1985	90.9	100.8	100.3
December	1985	93.9	106.0	108.3
January	1986	95.6	109.7	110.1
February	1986	95.9	107.8	109.0
March	1986	95.1	102.9	110.2
April	1986	96.2	106.9	111.0
May	1986	94.8	105.5	109.9
June	1986	99.3	110.6	112.4
July	1986	97.7	109.6	108.5
August	1986	94.9	105.0	106.6
September	1986	91.9	99.5	102.1
October	1986	95.6	102.8	105.5
November	1986	91.4	97.5	98.7
December	1986	89.1	98.7	98.3
January	1987	90.4	101.2	104.0
February	1987	90.2	103.6	103.6
March	1987	90.8	97.8	96.1
April	1987	92.8	98.5	103.1
May	1987	91.1	97.7	99.2
June	1987	91.5	102.9	102.9
July	1987	93.7	102.5	104.0
August	1987	94.4	104.4	109.1
September	1987	93.6	100.6	104.3
October	1987	89.3	99.9	101.8
November	1987	83.1	87.7	90.5
December	1987	86.8	94.5	96.1
January	1988	90.8	99.0	99.9
February	1988	91.6	98.1	100.8
March	1988	94.6	103.7	104.6
April	1988	91.2	99.1	99.6
May	1988	94.8	106.6	108.3
June	1988	94.7	102.3	102.7
July	1988	93.0	100.4	103.3

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

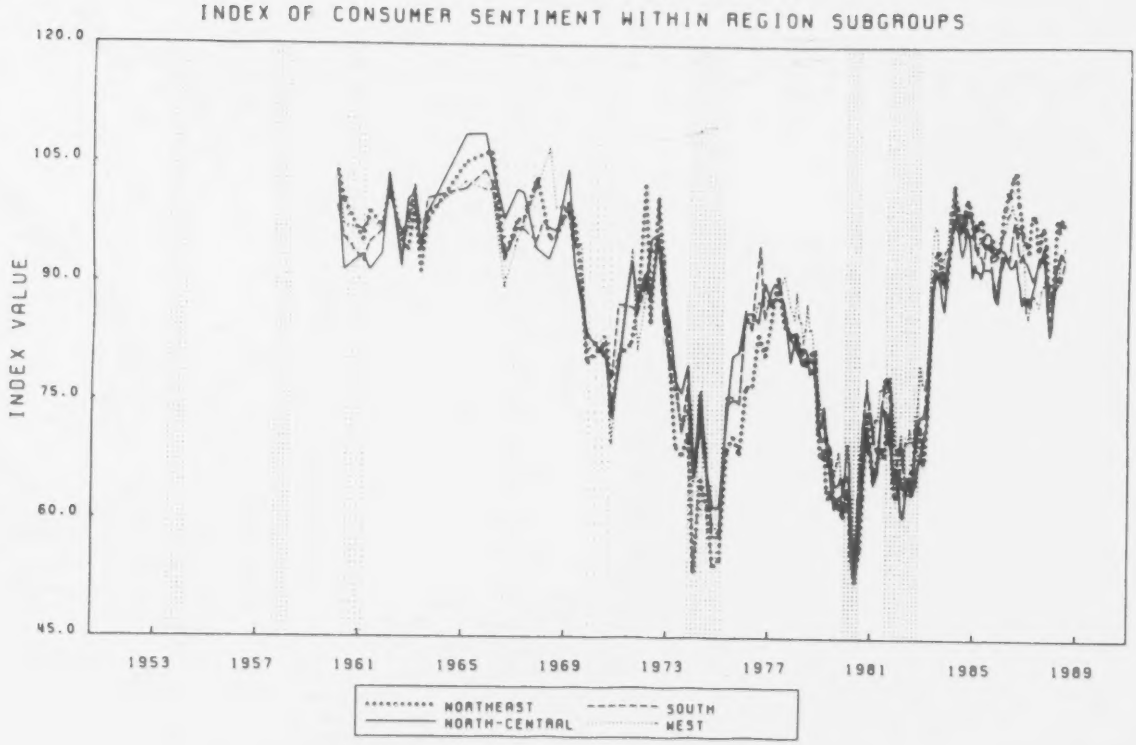


CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

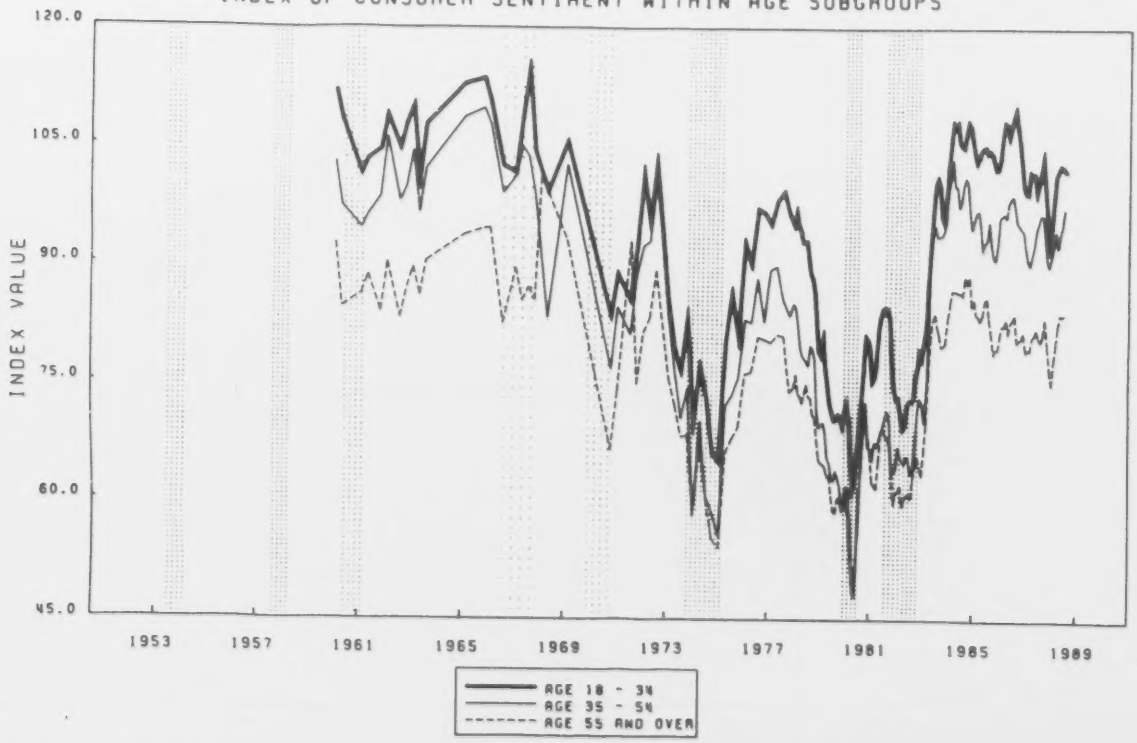


TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY		CENSUS REGION				AGE OF RESPONDENT		
		North East	North Central	South	West	18-34	35-54	55+
July	1985	98.4	91.8	92.9	94.8	104.4	93.7	84.8
August	1985	90.7	93.4	93.6	90.6	104.2	94.9	77.3
September	1985	98.5	91.5	87.0	97.5	103.7	89.6	82.8
October	1985	92.3	81.7	90.7	90.0	101.6	88.6	76.0
November	1985	92.8	90.7	88.4	93.1	101.1	93.5	79.3
December	1985	98.2	90.8	92.0	98.1	103.8	95.3	82.6
January	1986	96.7	93.9	98.2	93.7	105.5	99.4	80.8
February	1986	103.4	92.7	93.2	98.0	109.7	94.1	83.8
March	1986	99.1	94.9	91.3	98.9	109.1	96.0	82.0
April	1986	102.7	92.3	94.4	99.5	104.8	97.8	83.6
May	1986	101.2	90.1	93.5	98.8	104.9	99.9	78.3
June	1986	106.2	94.1	98.5	102.7	112.7	97.9	86.6
July	1986	103.9	93.4	101.7	94.7	108.2	98.6	84.5
August	1986	102.5	92.6	90.5	98.2	107.9	95.2	80.1
September	1986	94.6	87.0	91.9	95.8	106.3	92.4	76.1
October	1986	99.1	90.0	96.5	99.3	102.5	97.3	85.7
November	1986	95.8	85.6	93.2	92.3	99.5	94.2	80.4
December	1986	91.8	90.4	89.5	84.0	98.0	91.3	78.3
January	1987	98.1	85.9	96.0	83.9	99.9	91.2	78.4
February	1987	92.4	89.5	90.7	89.2	99.1	89.2	81.5
March	1987	104.6	86.3	87.5	91.2	106.4	89.3	77.7
April	1987	99.4	91.7	93.7	87.2	99.0	95.1	83.5
May	1987	91.3	92.9	92.1	87.1	99.5	92.8	82.1
June	1987	92.5	92.2	91.5	89.7	99.0	95.5	80.0
July	1987	100.1	95.7	93.8	85.2	103.0	97.8	80.2
August	1987	99.0	91.0	95.2	93.2	103.3	95.8	80.8
September	1987	92.2	94.7	94.9	91.5	104.1	95.4	82.6
October	1987	93.8	87.2	88.3	89.1	92.0	89.9	86.2
November	1987	83.9	79.6	87.9	79.4	91.7	86.6	70.8
December	1987	83.4	83.6	90.4	89.2	94.1	92.9	73.6
January	1988	99.8	91.3	87.6	88.5	98.3	93.6	80.1
February	1988	93.7	92.1	92.8	86.3	102.5	90.3	79.9
March	1988	101.2	92.9	91.6	95.3	103.5	98.9	80.0
April	1988	94.9	93.9	88.6	89.0	100.0	87.5	86.6
May	1988	99.1	95.5	91.1	97.3	104.2	95.4	84.7
June	1988	98.1	91.2	95.9	95.2	103.1	102.0	79.5
July	1988	97.5	92.3	92.0	91.8	98.3	93.8	87.1

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

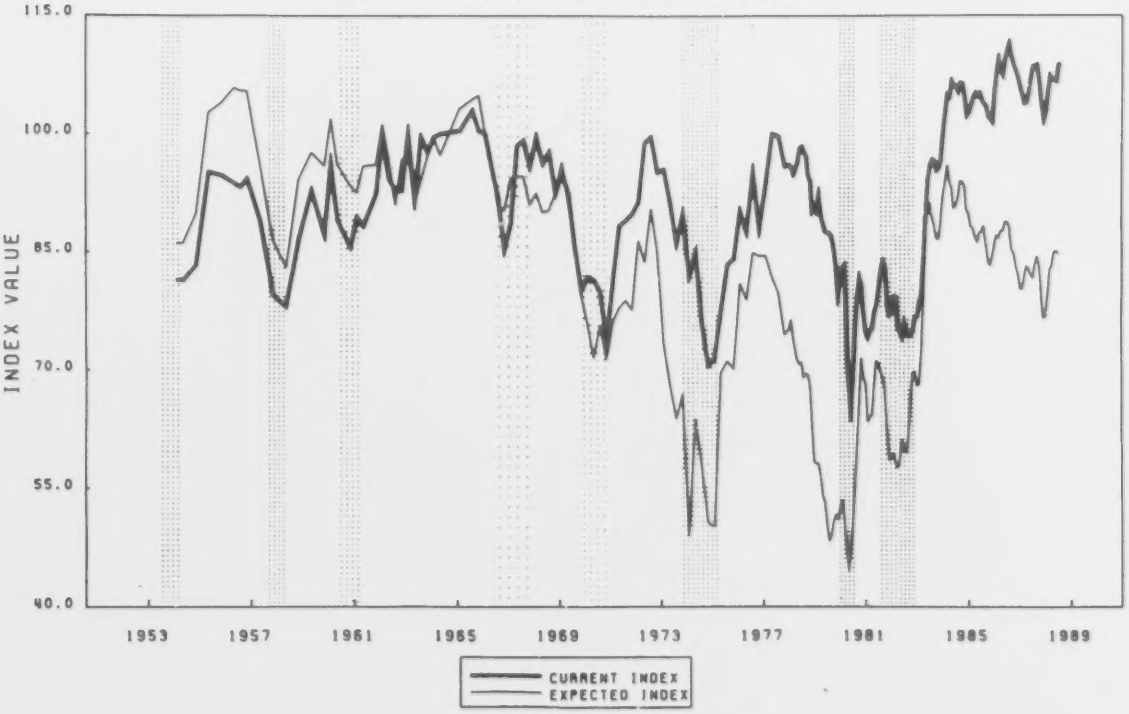


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY		INDEX COMPONENTS +						
		Personal finances		Business conditions				
		Current	Expected	12 months	5 years	Buying conds.	Current Index	Expected Index
		(1)	(2)	(3)	(4)	(5)	(1,5)	(2,3,4)
July	1985	116	124	129	98	154	104.3	87.4
August	1985	112	123	125	99	152	101.8	86.3
September	1985	116	124	118	96	155	104.3	84.2
October	1985	111	123	111	90	148	100.3	80.8
November	1985	111	124	120	96	150	100.7	84.5
December	1985	120	124	127	103	147	103.1	88.1
January	1986	122	123	126	93	168	111.8	85.3
February	1986	117	123	132	98	164	108.4	87.8
March	1986	120	124	129	96	160	107.9	86.9
April	1986	120	128	133	94	160	108.1	88.5
May	1986	117	129	131	92	158	106.2	87.5
June	1986	124	127	136	100	170	113.3	90.3
July	1986	126	130	131	94	165	112.1	88.5
August	1986	121	128	123	94	161	108.9	85.9
September	1986	120	127	115	84	161	108.3	81.3
October	1986	120	127	124	99	162	108.9	87.1
November	1986	121	121	120	87	155	106.7	81.6
December	1986	116	127	104	83	158	105.8	78.3
January	1987	120	130	117	77	152	105.1	80.9
February	1987	115	126	117	84	153	103.7	81.6
March	1987	114	122	121	92	152	102.5	83.3
April	1987	116	127	116	97	158	105.5	84.7
May	1987	117	121	114	89	161	107.4	80.6
June	1987	120	122	113	89	161	108.1	80.8
July	1987	123	123	118	94	162	109.9	83.3
August	1987	122	127	125	93	157	107.8	85.8
September	1987	119	124	122	92	162	108.3	84.2
October	1987	118	128	105	90	149	103.1	80.4
November	1987	115	118	93	80	142	99.3	72.7
December	1987	119	120	98	89	147	102.7	76.7
January	1988	122	131	110	84	154	106.2	80.9
February	1988	122	130	108	90	155	106.6	81.9
March	1988	127	133	114	96	156	109.1	85.2
April	1988	117	125	117	89	154	104.8	82.4
May	1988	111	127	125	98	165	106.5	87.3
June	1988	119	129	121	95	163	108.6	85.7
July	1988	121	126	104	96	167	110.9	81.5

(1) See Table 4.
(2) See Table 6.
(3) See Table 15.
(4) See Table 16.
(5) See Table 21.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

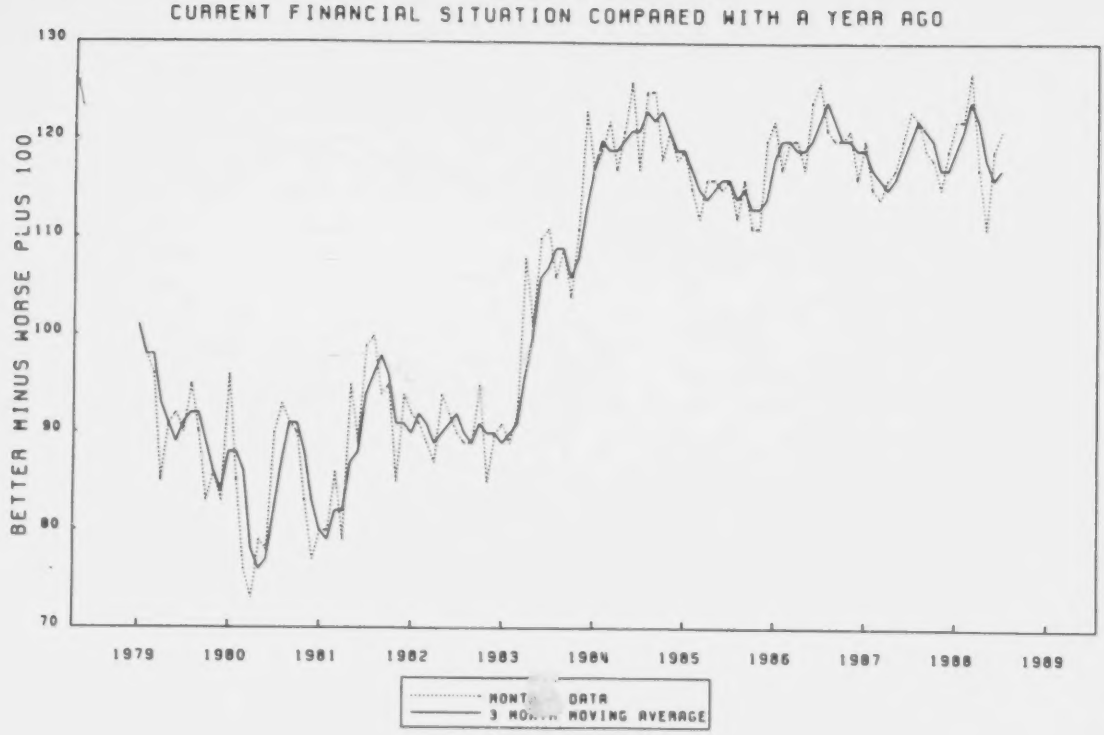


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

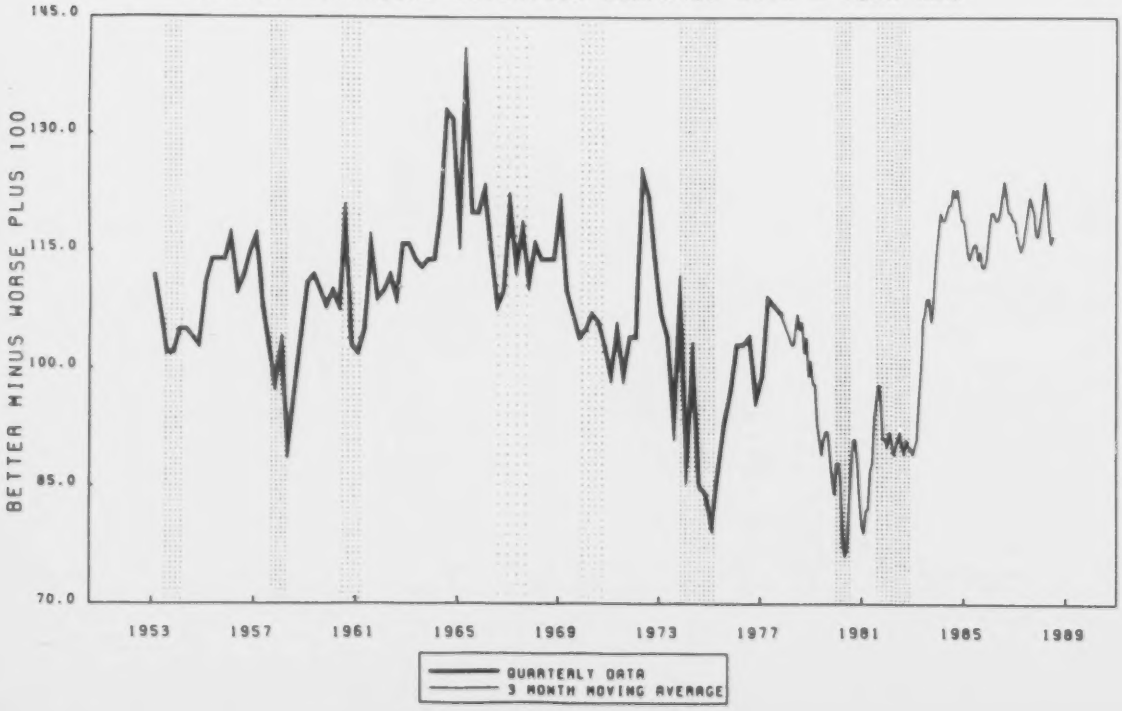


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF	45%	45%	42%	43%	42%	43%	46%	47%	49%	41%	40%	43%	45%
SAME	32	32	34	32	31	33	29	27	29	34	31	32	30
WORSE OFF	22	23	23	25	27	24	24	25	22	24	29	24	24
DK,NA	1	*	1	*	*	*	1	1	*	1	*	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

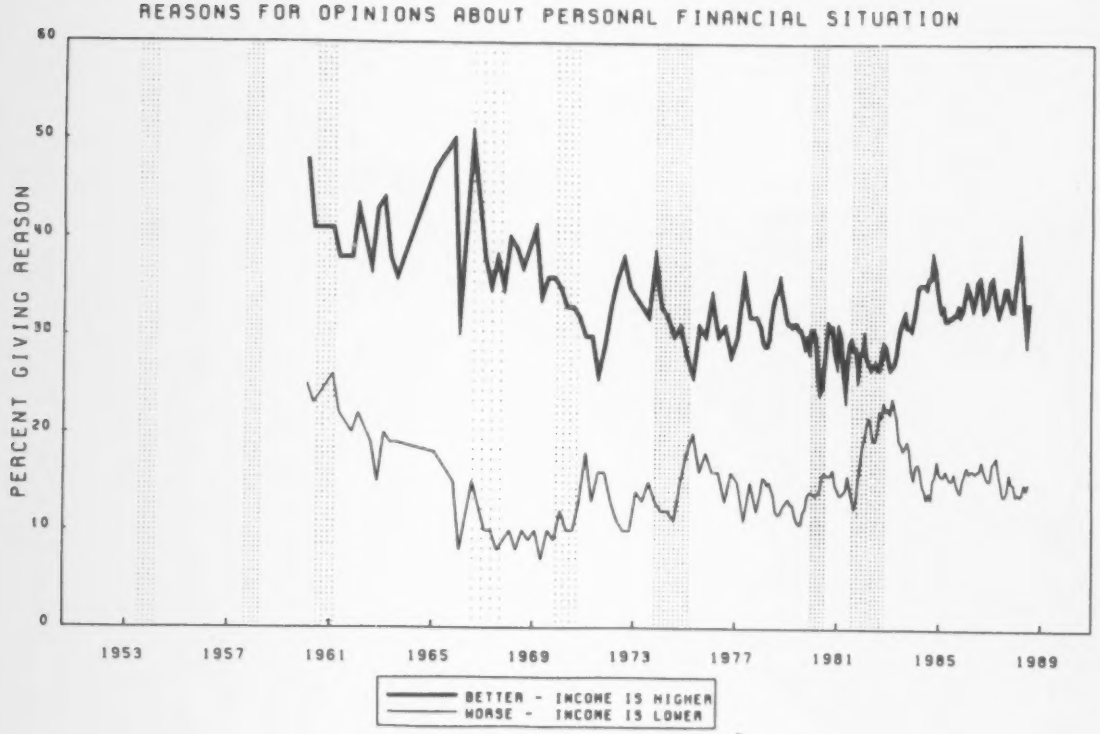


CHART 5B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

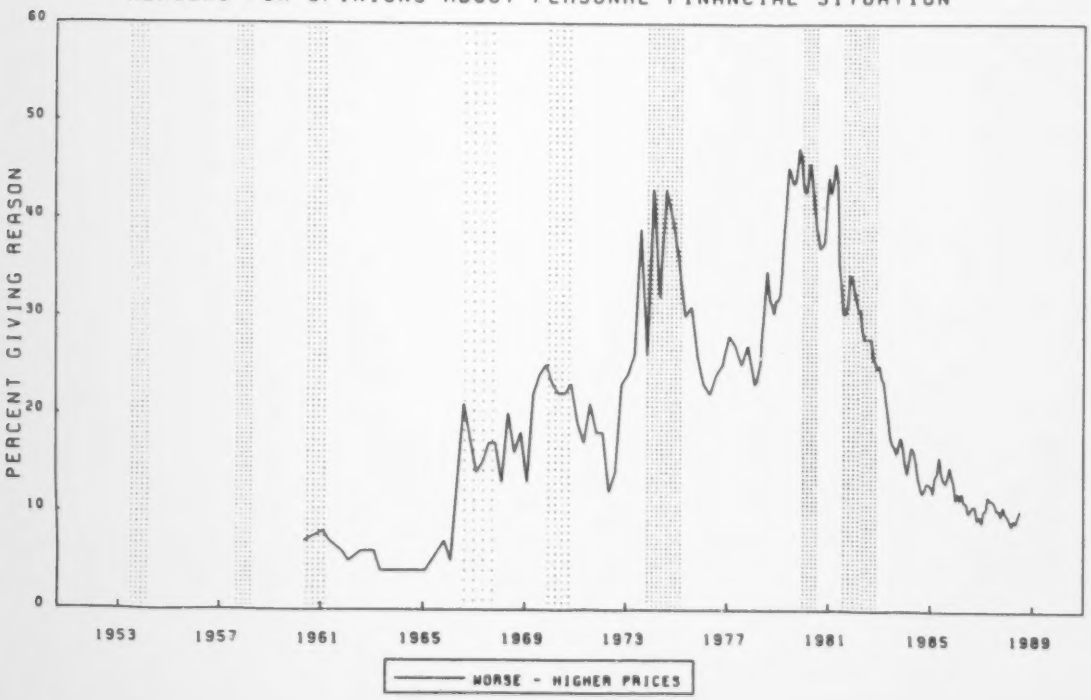


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF THAN YEAR AGO:													
Income is higher	36%	36%	33%	32%	33%	33%	39%	39%	40%	30%	29%	32%	39%
WORSE OFF THAN YEAR AGO:													
Income is lower	12	15	16	17	12	16	13	13	15	14	16	13	16
Higher prices	10	9	12	8	12	10	7	11	8	9	10	10	11

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

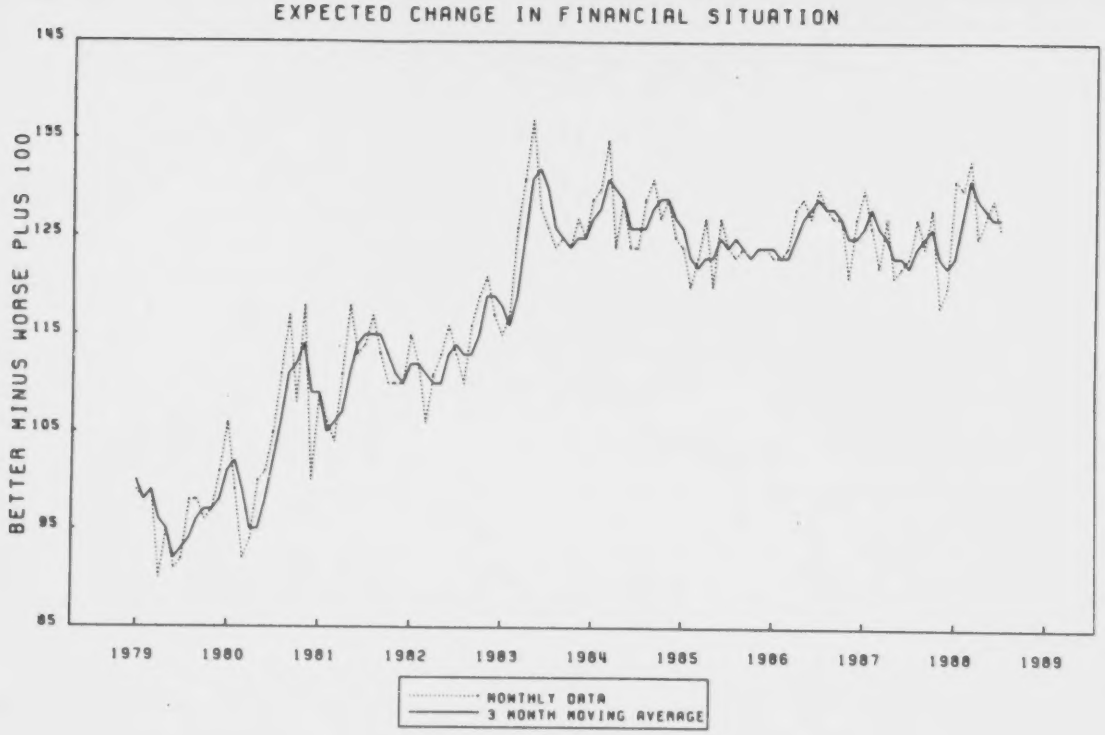


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

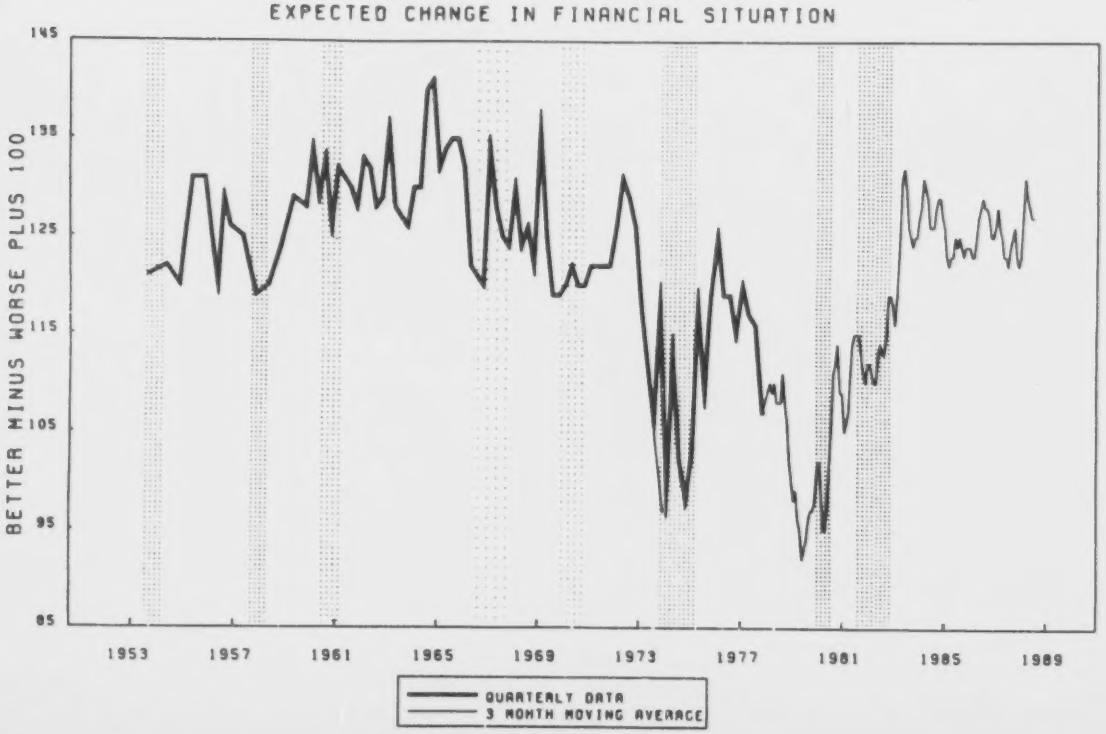


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER OFF	34%	39%	35%	37%	33%	32%	38%	39%	39%	34%	36%	39%	36%
SAME	52	46	49	51	49	51	53	48	52	54	52	48	49
WORSE OFF	11	12	11	9	15	12	7	9	6	9	9	10	10
DK,NA	3	3	5	3	3	5	2	4	3	3	3	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

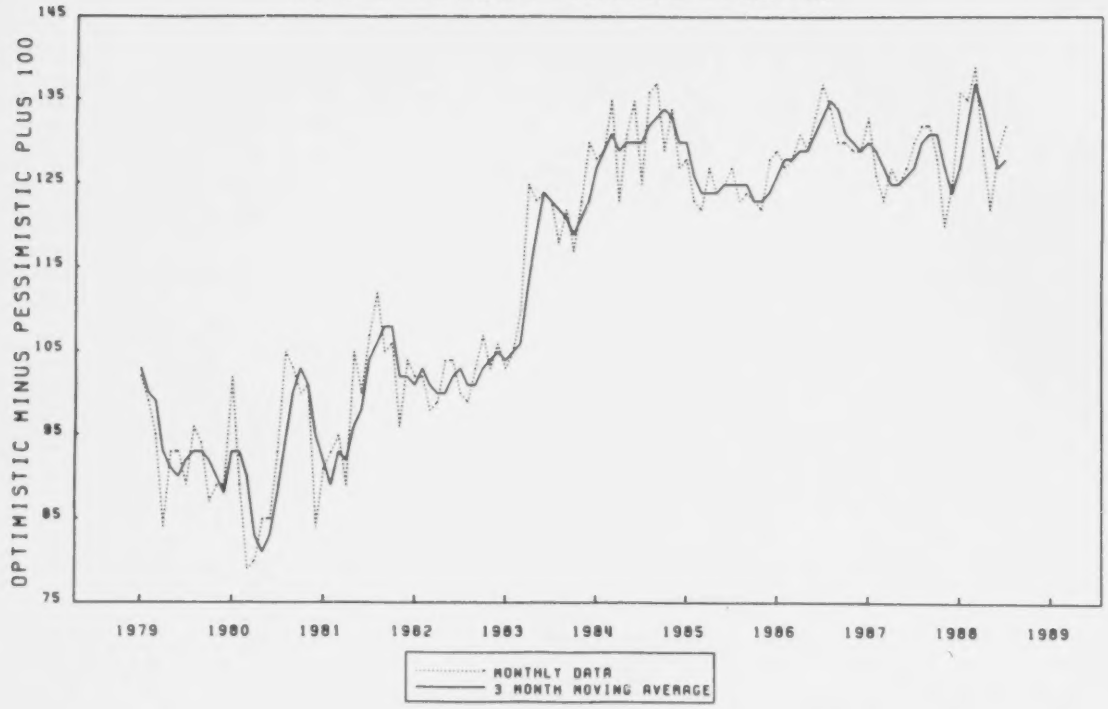


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

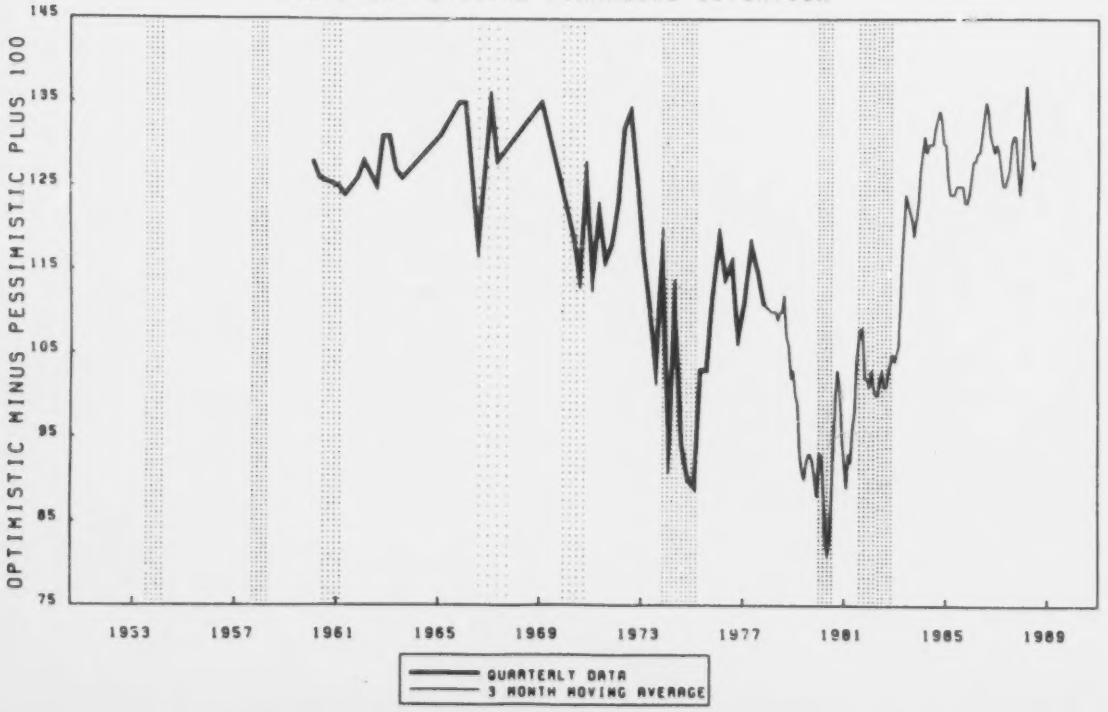


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	19%	23%	18%	23%	19%	17%	21%	20%	25%	18%	19%	24%	20%
Intermittant increase (b)	29	29	31	24	25	27	31	31	30	30	24	25	30
Remain unchanged (c)	20	16	19	21	18	19	19	15	17	20	21	19	16
Intermittant decline (d)	14	16	12	15	18	17	13	13	13	16	17	16	13
Continuous decline (e)	4	4	5	4	6	2	3	3	3	3	4	4	5
Mixed change (f)	10	9	10	10	11	13	11	13	9	9	13	9	11
DK,NA	4	3	5	3	3	5	2	5	3	4	2	3	5
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

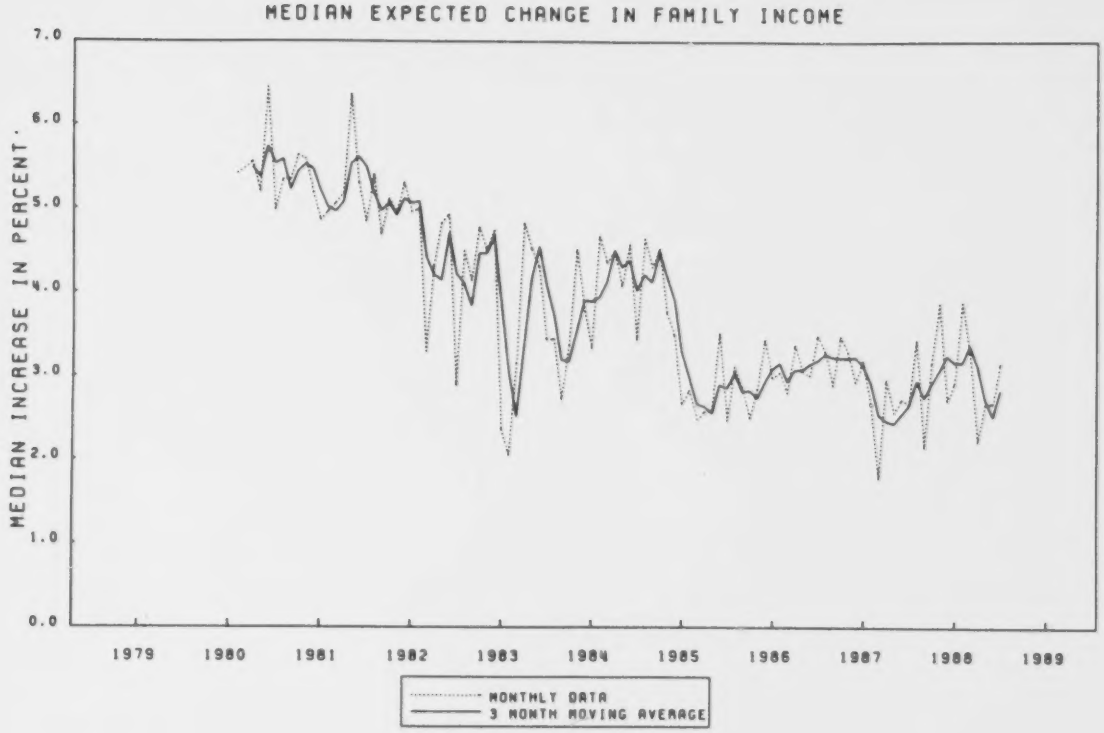


CHART 8 - HISTORICAL SERIES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

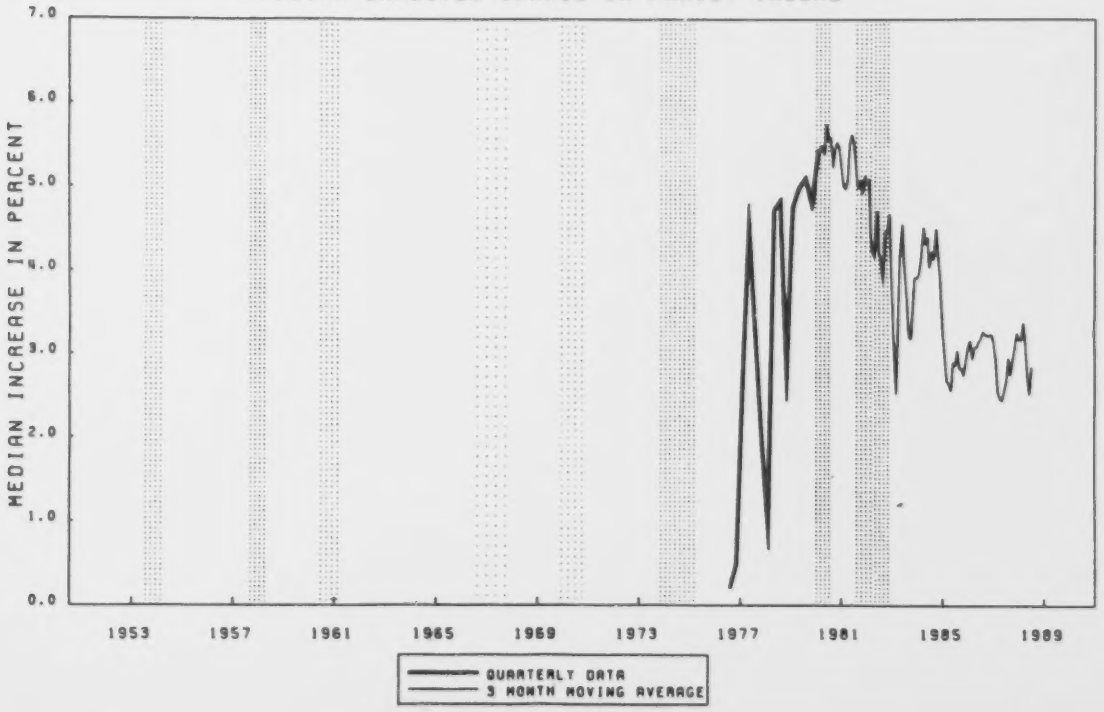


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
EXPECT INCREASE:													
1-4%	18%	17%	17%	15%	18%	19%	18%	16%	16%	16%	15%	15%	17%
5%	9	12	13	10	11	10	12	15	11	9	12	9	10
6-9%	7	6	6	9	8	8	7	8	7	6	7	7	10
10-24%	16	17	10	15	18	14	15	17	17	14	13	15	14
25% or more	6	8	6	5	7	4	6	5	7	6	9	6	6
DK how much up	4	4	5	6	2	3	4	2	2	6	2	5	5
EXPECT SAME	27	23	30	25	21	23	27	23	29	30	28	28	26
EXPECT DOWN	13	11	11	13	13	19	10	12	9	12	13	13	11
DK,NA	*	2	2	2	2	*	1	2	2	1	1	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

* : Less than half of one percent.

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

CHART 9 - HISTORICAL SERIES

INCOME OR PRICES UP MORE NEXT YEAR

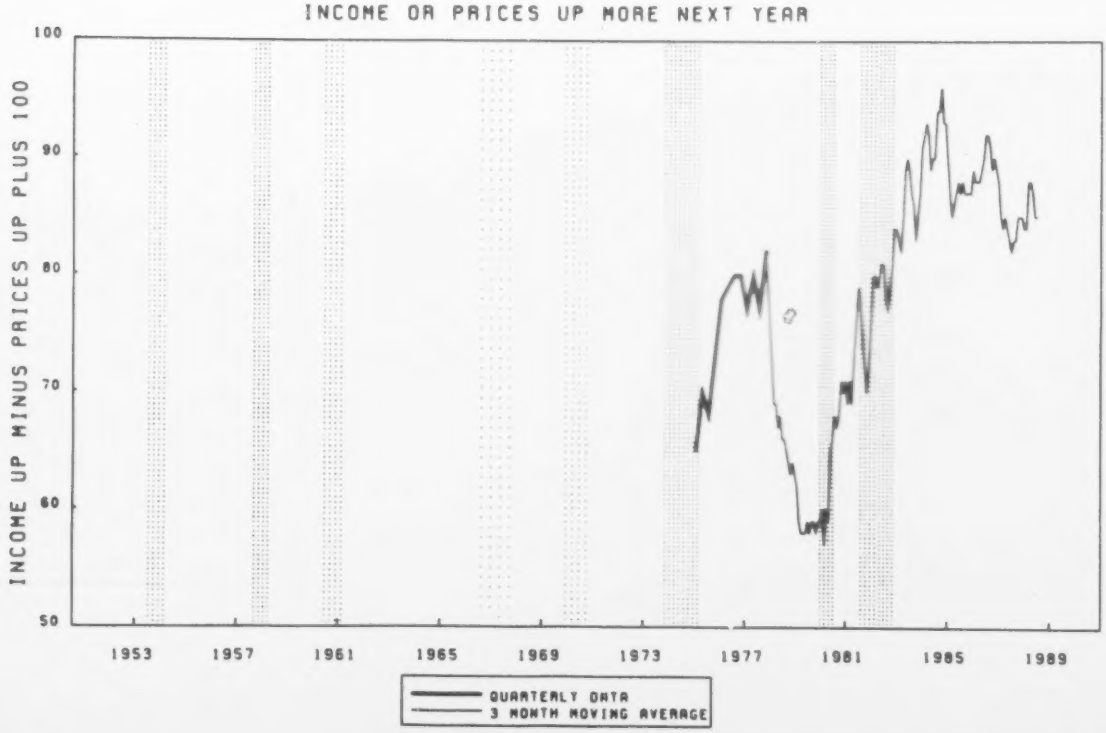


TABLE 9

EXPECTED CHANGE IN REAL FAMILY INCOME

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
INCOME UP MORE	17%	21%	18%	20%	22%	19%	19%	20%	22%	19%	19%	18%	19%
INCOME UP SAME	47	42	42	45	43	41	44	45	44	47	44	46	45
PRICES UP MORE	34	35	38	32	35	38	35	32	31	33	34	33	34
DK,NA	2	2	2	3	*	2	2	3	3	1	3	3	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

* : Less than half of one percent.

CHART 10 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

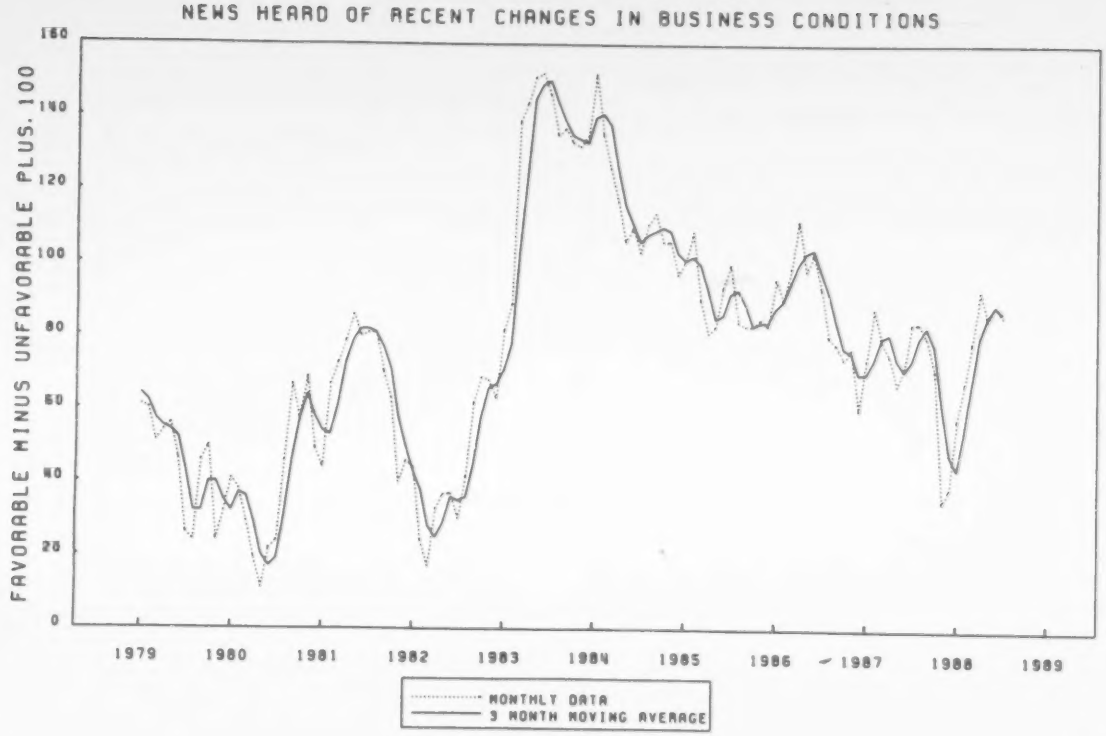


CHART 10 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

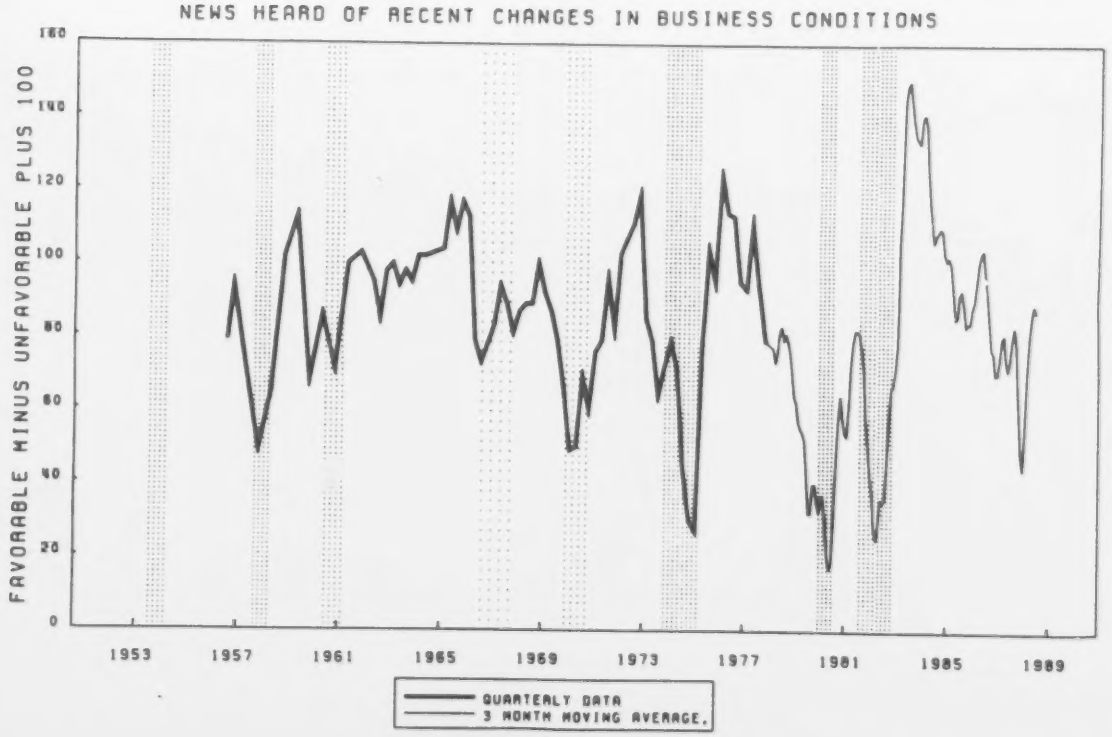


TABLE 10

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
FAVORABLE NEWS	29%	32%	24%	25%	18%	18%	23%	26%	29%	30%	33%	29%	30%
UNFAVORABLE NEWS	45	48	44	54	83	79	65	58	50	37	48	40	44
NO MENTIONS	50	47	53	47	32	36	41	42	45	51	44	50	50

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 11A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

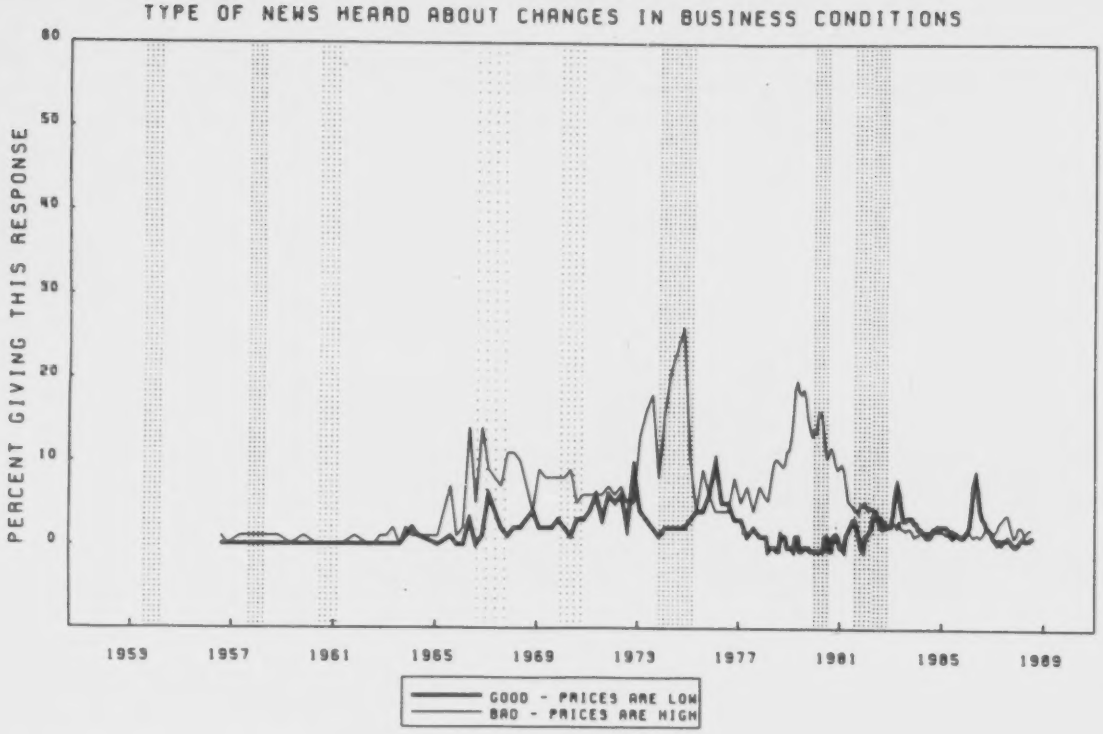


CHART 11B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

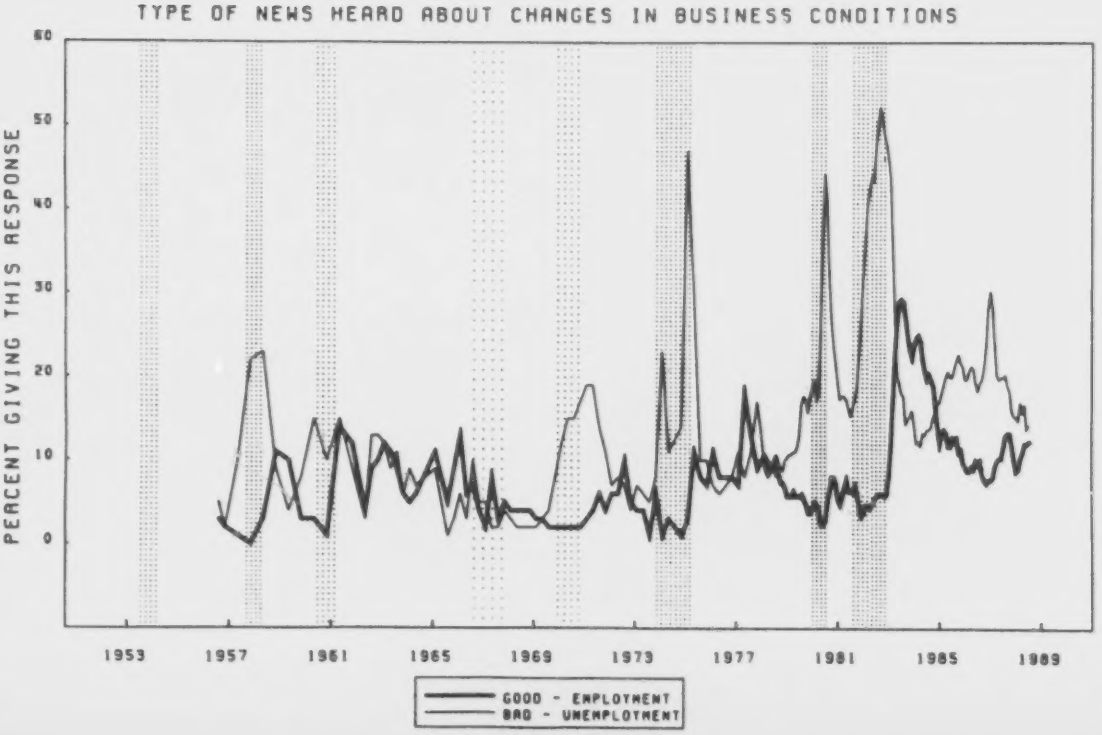


TABLE 11

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
FAVORABLE NEWS:													
Government; elections	2%	3%	1%	*	*	1%	1%	1%	1%	2%	3%	2%	1%
Employment	13	15	12	13	10	7	9	11	11	11	14	11	12
Higher consumer demand	*	1	*	1	1	1	2	1	2	1	3	1	3
Lower prices	1	1	*	*	*	*	1	1	1	*	1	1	1
Easier credit	2	1	1	1	1	2	1	4	2	2	2	1	1
Stock market	2	3	2	3	2	1	*	1	2	3	2	3	3
Trade deficit	2	1	1	1	1	1	3	2	3	2	1	2	1
UNFAVORABLE NEWS:													
Government; elections	5	5	3	5	6	6	6	6	3	5	5	6	4
Unemployment	18	22	17	16	15	15	16	13	22	12	16	13	14
Lower consumer demand	3	2	1	3	5	4	4	3	1	3	3	2	2
Higher prices	4	3	1	1	1	2	4	1	1	2	2	2	2
Tighter credit	4	2	5	6	5	3	1	2	1	1	4	3	3
Stock market	2	2	2	11	38	32	21	18	10	7	7	6	5
Trade deficit	4	6	3	4	4	7	6	4	3	3	4	3	1

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 12 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

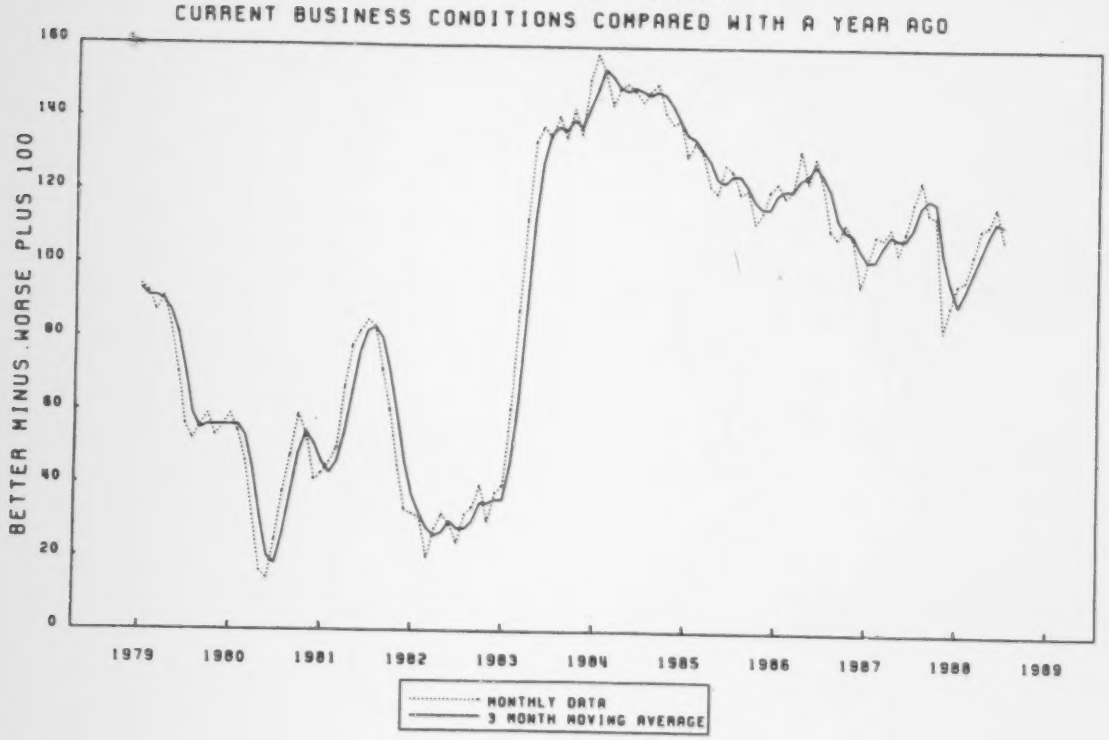


CHART 12 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

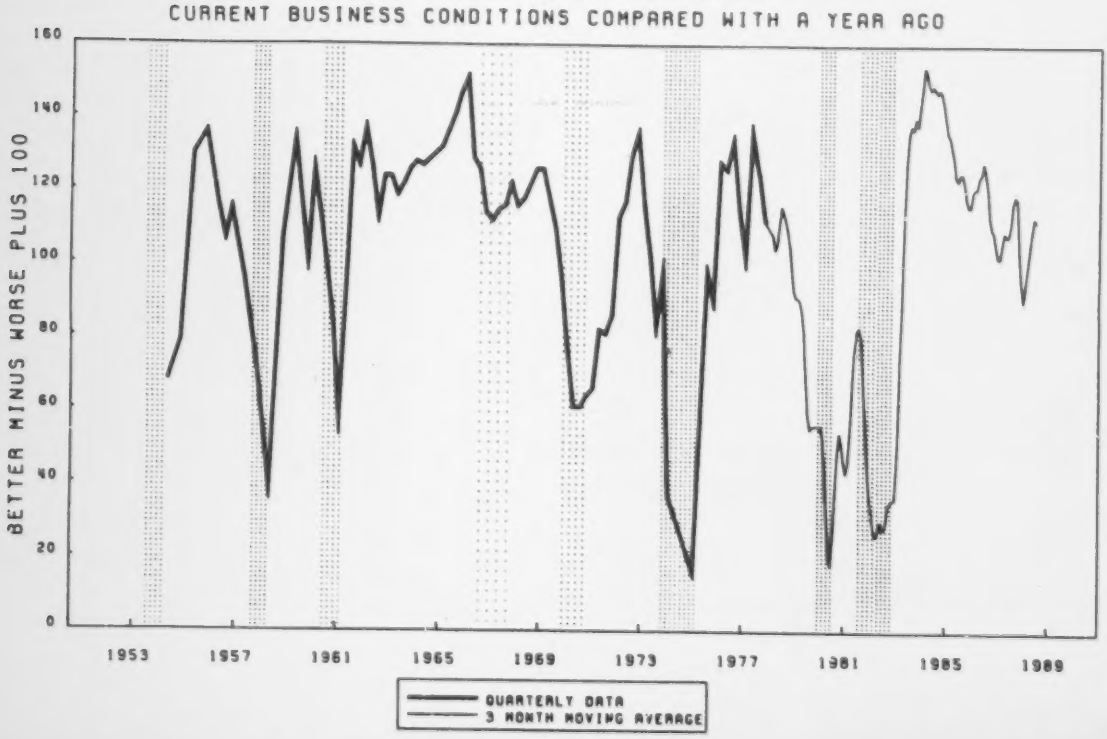


TABLE 12

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER NOW	50%	54%	49%	49%	33%	36%	40%	41%	40%	47%	47%	47%	44%
SAME	16	14	14	14	16	15	14	13	21	14	17	21	16
WORSE NOW	32	30	34	35	50	46	44	44	36	36	35	30	36
DK,NA	2	2	3	2	1	3	2	2	3	3	1	2	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

CHART 13 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

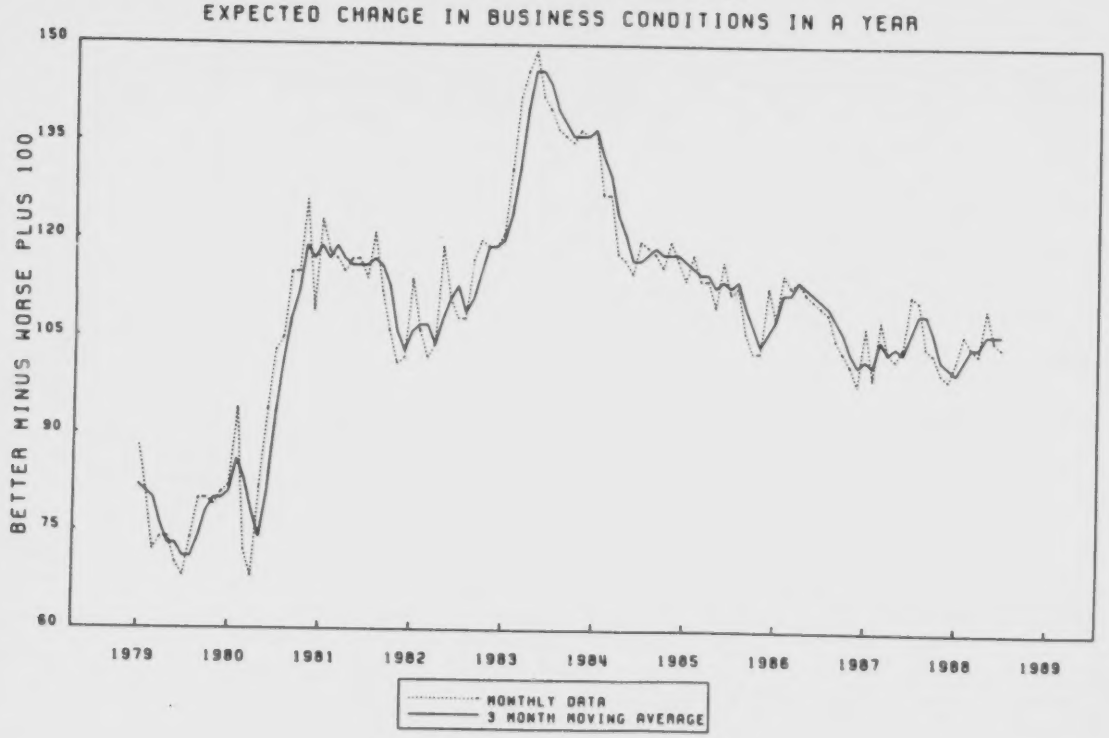


CHART 13 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

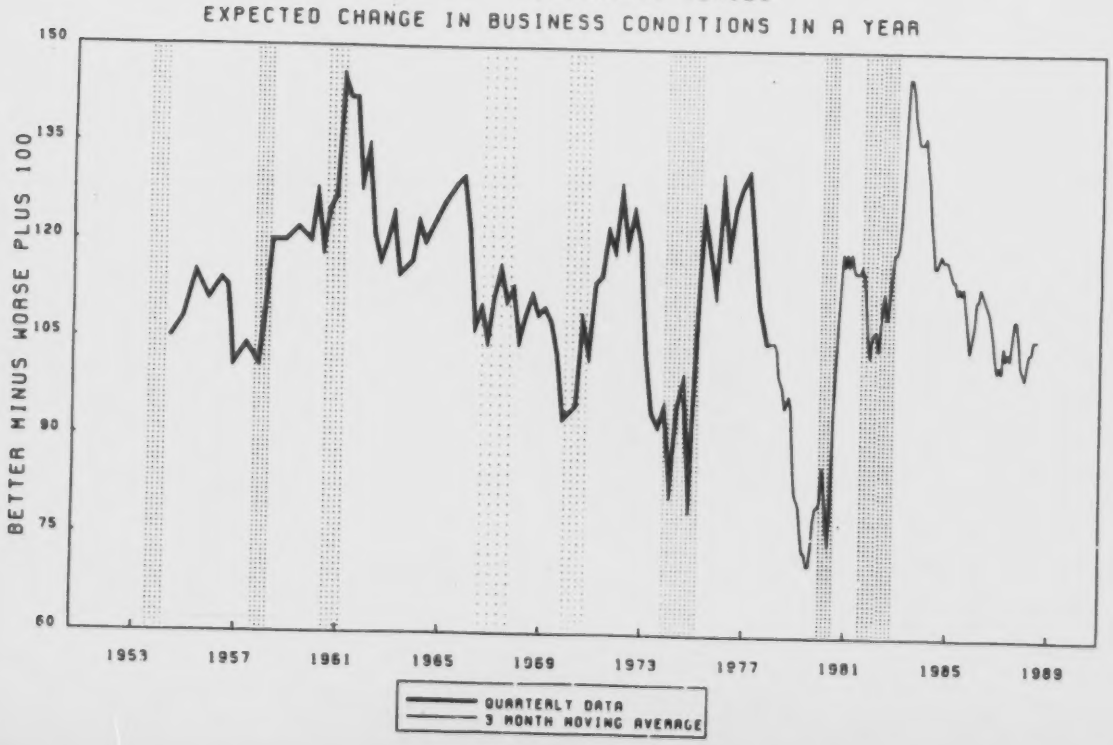


TABLE 13

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
BETTER	26%	25%	21%	22%	23%	22%	21%	23%	21%	21%	26%	24%	23%
SAME	56	57	58	57	52	53	58	58	58	57	53	54	52
WORSE	14	14	17	19	23	23	19	17	17	18	16	19	19
DK,NA	4	4	4	2	2	2	2	2	4	4	5	3	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

CHART 14 - RECENT CHANGES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

CHART 14 - HISTORICAL SERIES

TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

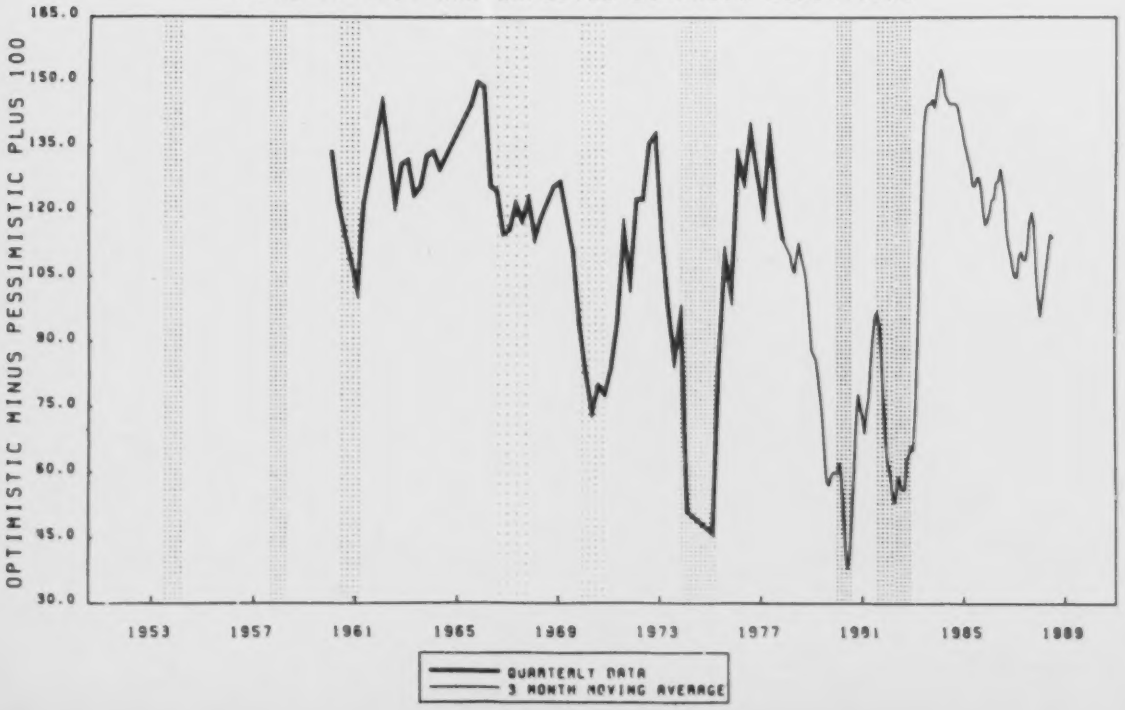


TABLE 14

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
TREND:													
Continuous increase (a)	17%	19%	14%	16%	10%	10%	11%	12%	10%	14%	16%	15%	11%
Intermittant increase (b)	33	33	32	29	22	24	29	27	30	30	29	30	28
Remain unchanged (c)	9	9	9	10	10	10	8	10	12	9	9	13	10
Intermittant decline (d)	19	20	21	21	26	22	25	24	21	20	20	18	19
Continuous decline (e)	10	8	10	11	16	16	14	12	10	12	10	10	10
Mixed change (f)	7	6	9	10	14	13	10	11	11	9	11	10	13
DK,NA	5	5	5	3	2	5	3	4	6	6	5	4	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

Combination of the responses to the questions on Tables 12 and 13.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 15 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

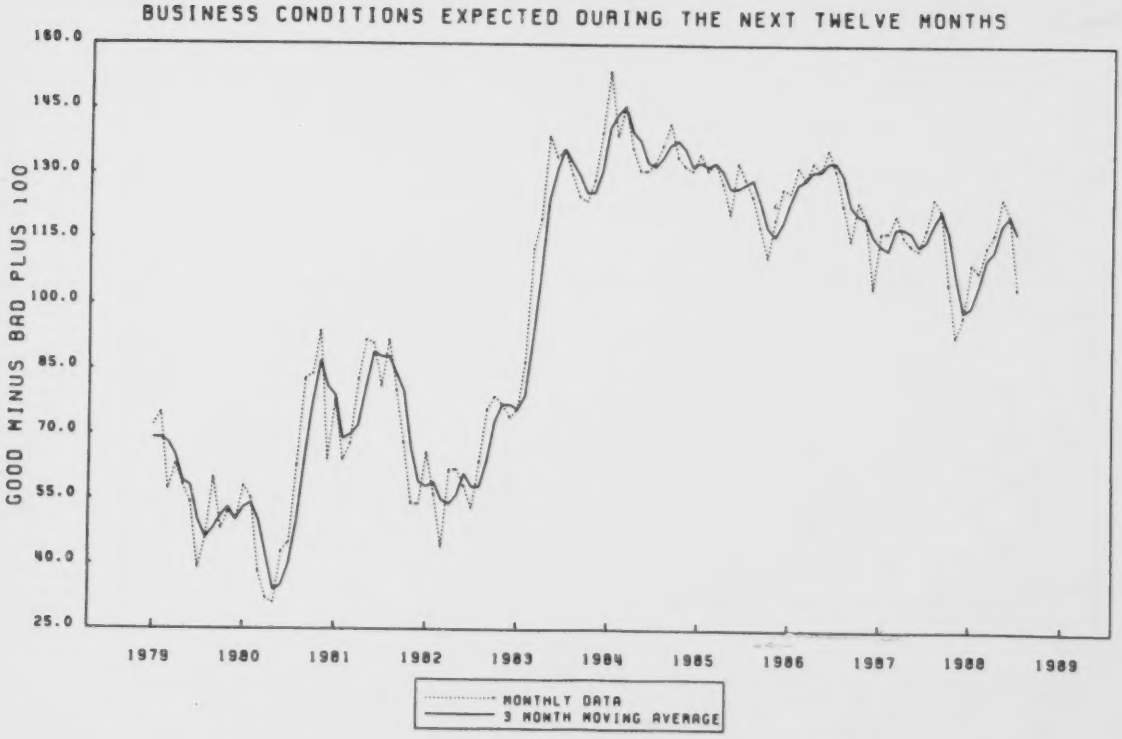


CHART 15 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

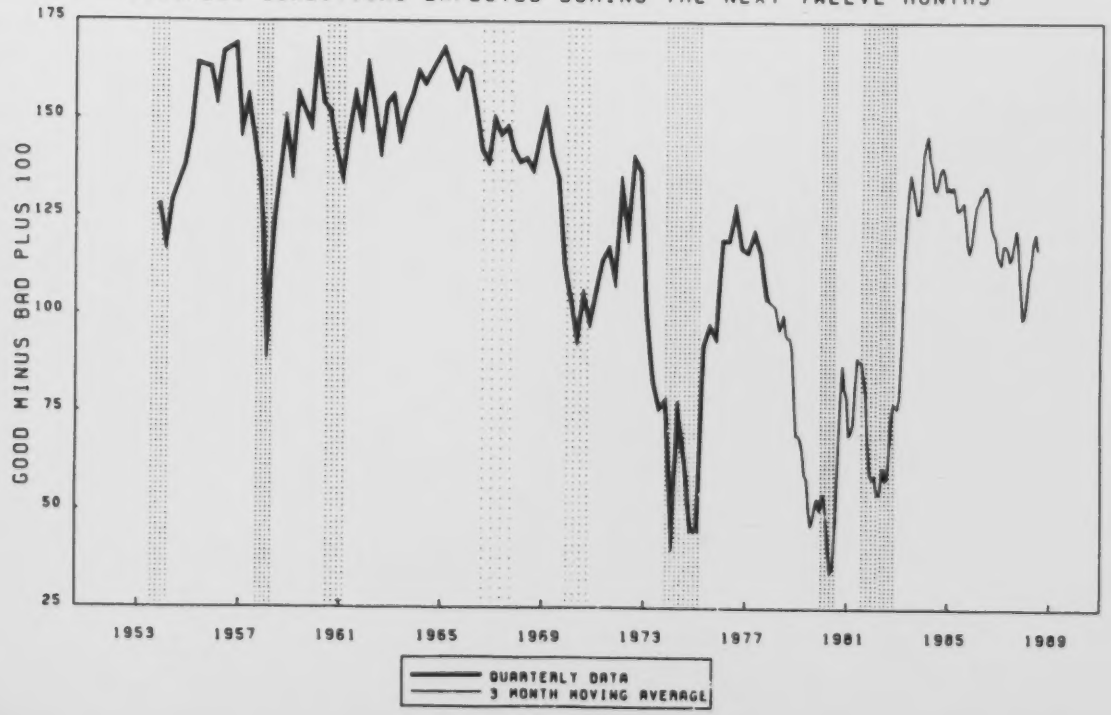


TABLE 15

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIMES	51%	55%	51%	43%	38%	41%	47%	45%	47%	50%	54%	54%	44%
UNCERTAIN; GOOD & BAD	2	3	5	3	2	4	4	4	4	4	4	3	4
BAD TIMES	33	30	29	38	45	43	37	37	33	33	29	33	40
DON'T KNOW	7	7	7	7	8	6	7	7	7	9	8	6	8
NOT ASCERTAINED	7	5	8	9	7	6	5	7	9	4	5	4	4
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 16 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

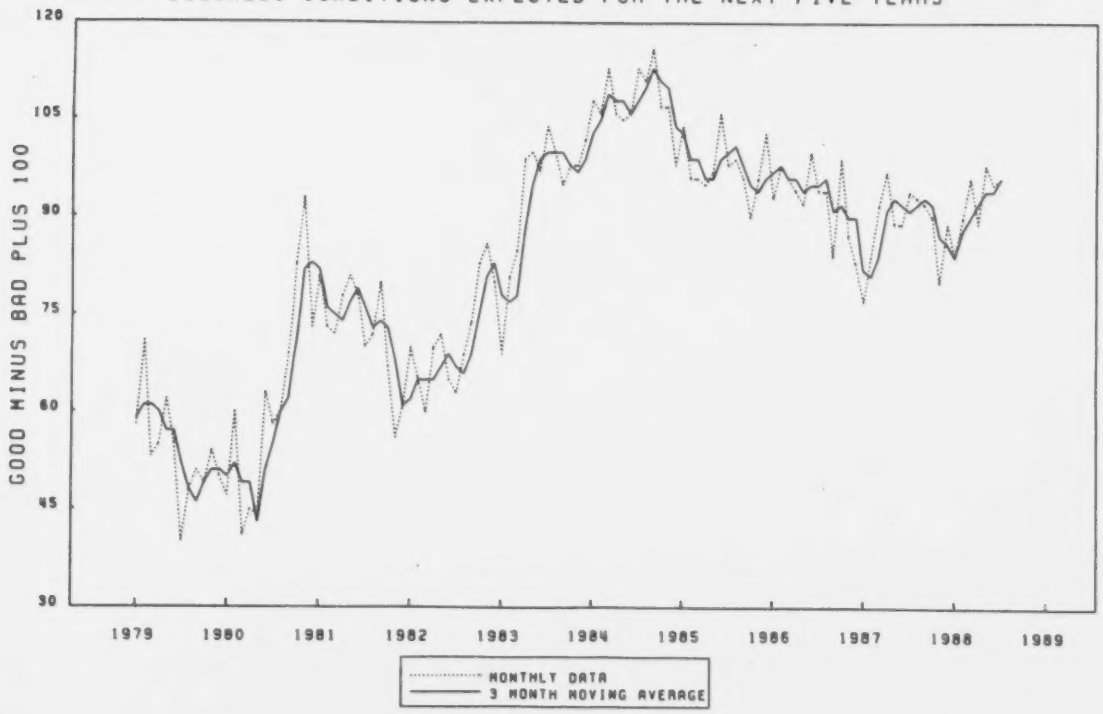


CHART 16 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

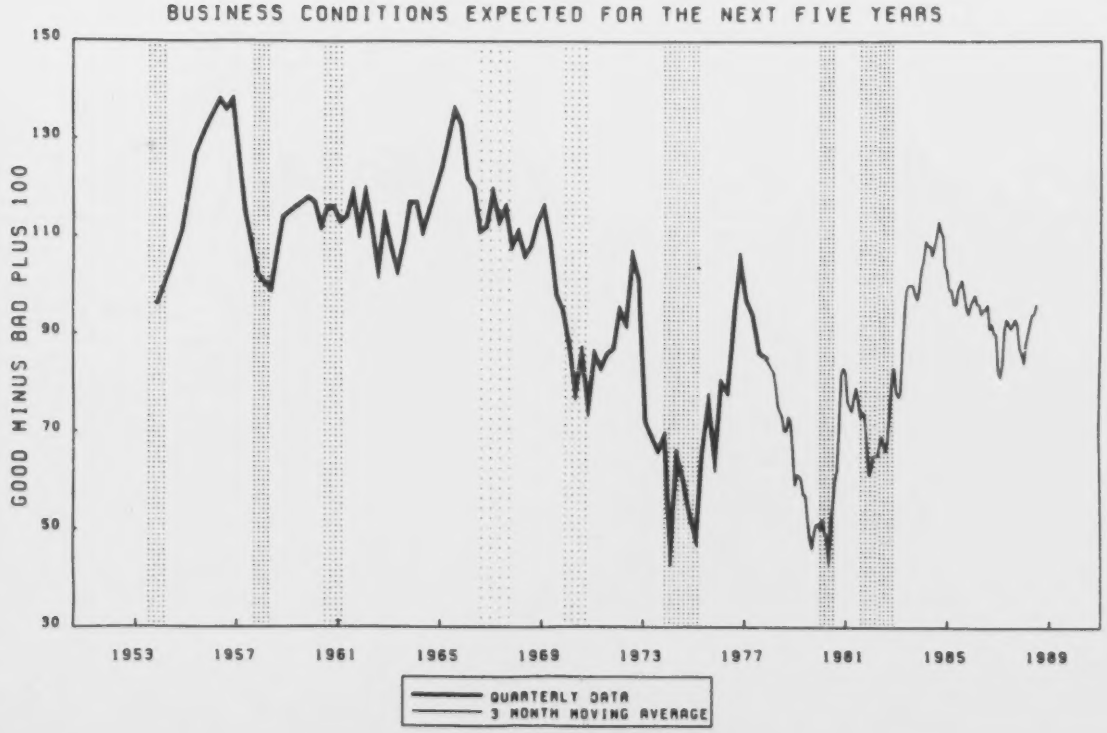


TABLE 16

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIMES	36%	36%	37%	36%	31%	33%	34%	35%	39%	36%	41%	36%	39%
UNCERTAIN; GOOD & BAD	15	16	13	12	13	16	12	15	14	15	13	16	12
BAD TIMES	42	43	45	46	51	44	50	45	43	47	43	41	43
NOT ASCERTAINED	7	5	5	6	5	7	4	5	4	2	3	7	6
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 17 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

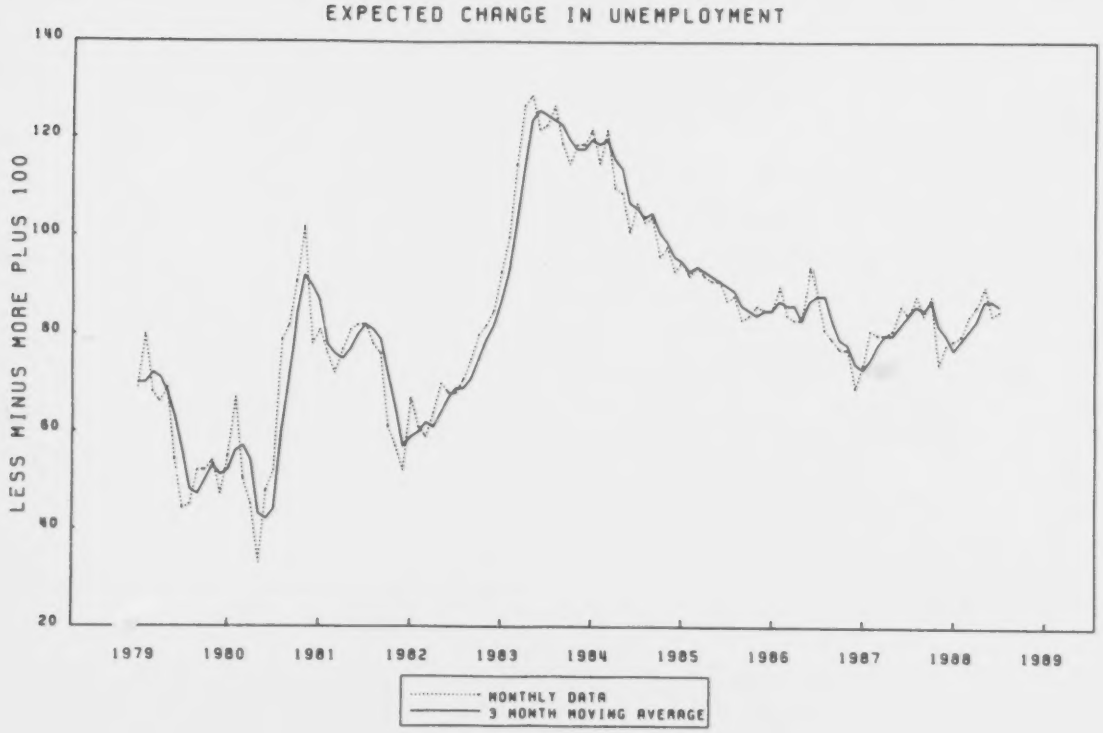


CHART 17 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

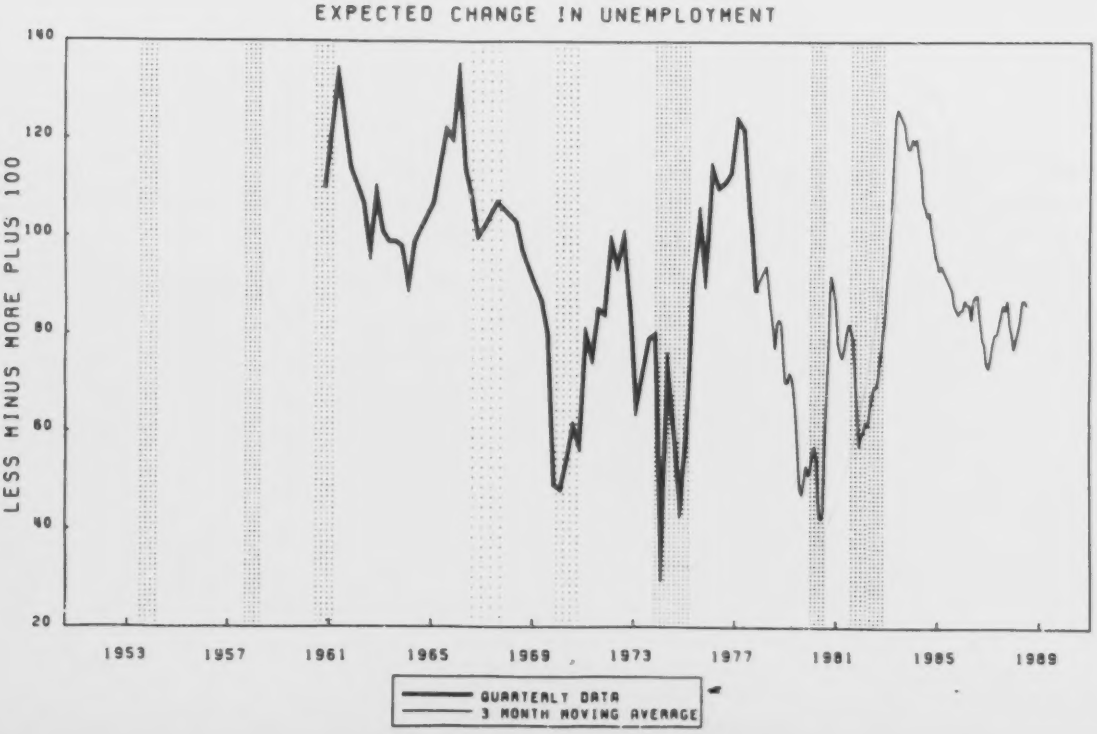


TABLE 17

EXPECTED CHANGE IN UNEMPLOYMENT

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
LESS	14%	15%	13%	17%	10%	12%	12%	12%	12%	14%	11%	15%	14%
SAME	55	56	57	52	53	51	54	53	58	56	67	53	55
MORE	30	27	29	29	36	34	33	33	28	28	21	31	29
DK,NA	1	2	1	2	1	3	1	2	2	2	1	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

CHART 18 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

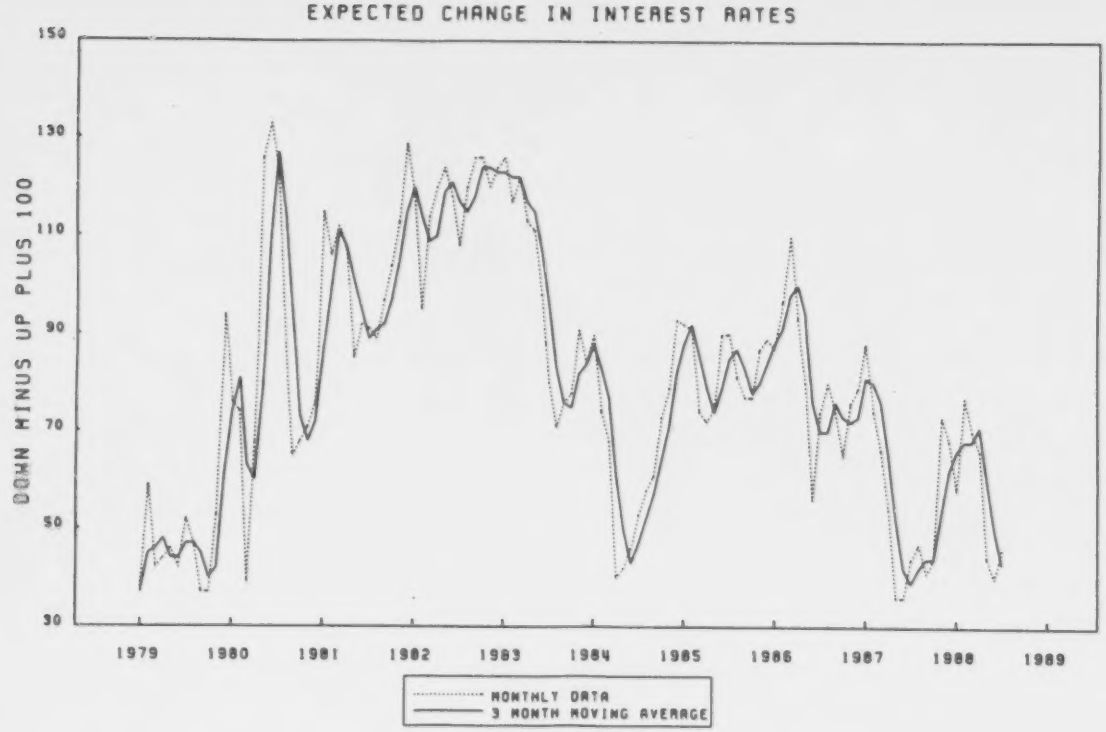


CHART 18 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

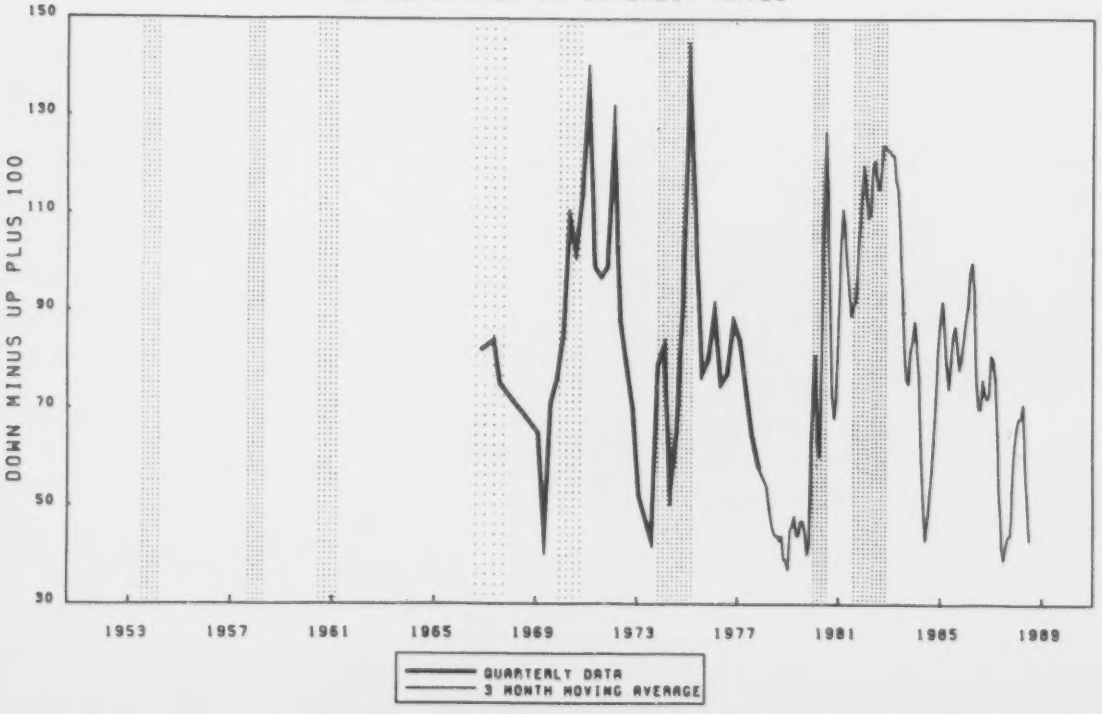


TABLE 18

EXPECTED CHANGE IN INTEREST RATES

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GO UP	64%	62%	66%	67%	49%	52%	54%	44%	49%	48%	64%	67%	64%
STAY THE SAME	26	27	24	20	26	26	32	32	29	35	26	24	23
GO DOWN	8	9	7	11	22	20	12	21	19	14	8	7	10
DK,NA	2	2	3	2	3	2	2	3	3	3	2	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 19 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

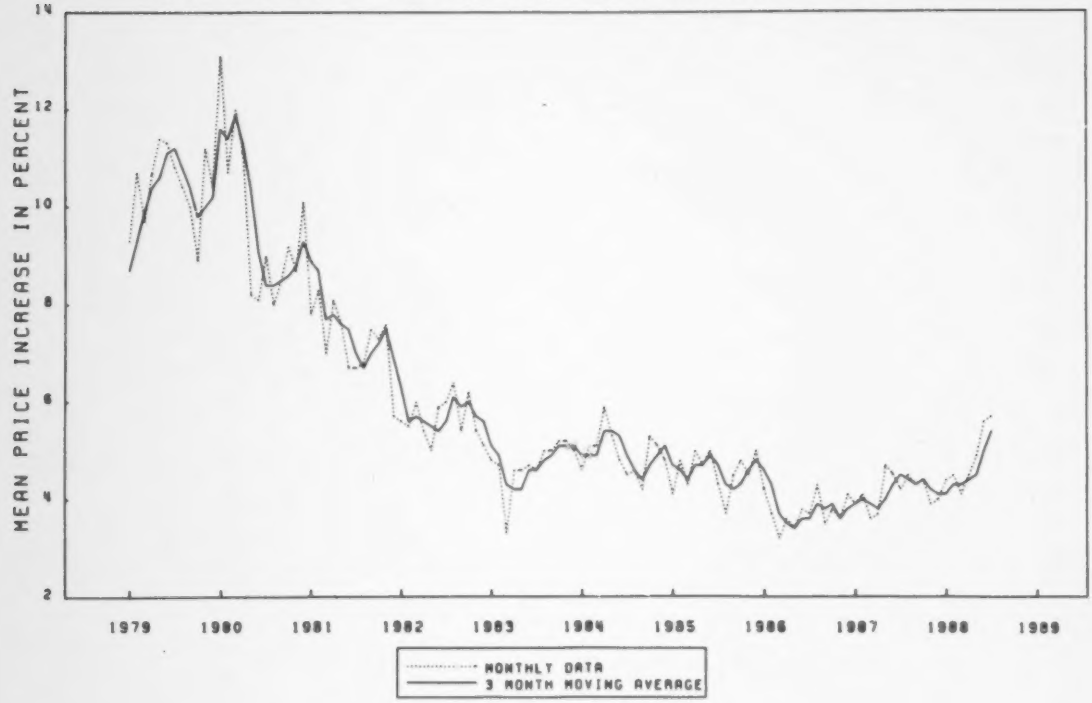


CHART 19 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

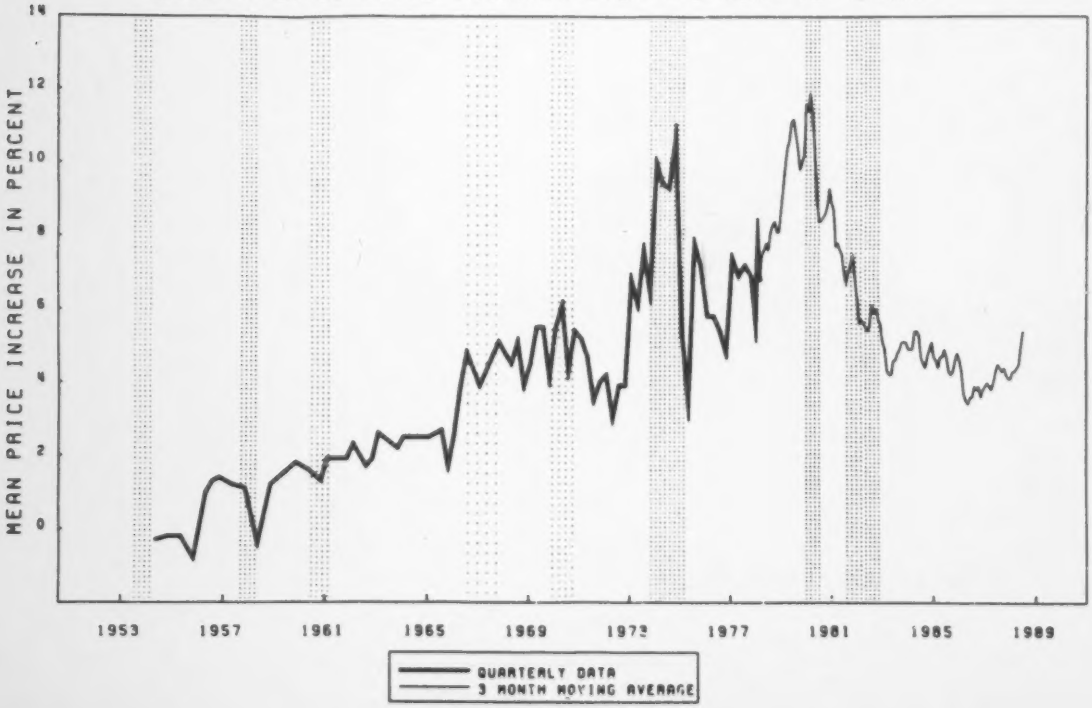


TABLE 19

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
SAME OR DOWN	17%	13%	17%	15%	20%	21%	23%	17%	18%	14%	13%	13%	8%
WILL GO UP BY:													
1-2%	20	20	20	18	16	19	16	21	19	19	19	18	15
3-4%	23	25	24	23	22	21	21	23	24	25	26	20	22
5%	16	17	16	20	20	15	17	16	19	18	18	20	19
6-9%	7	8	6	7	8	8	6	6	6	7	7	8	12
10-14%	9	6	7	8	5	8	7	7	6	7	6	9	12
15% or more	3	4	3	3	4	3	6	5	3	4	6	6	6
DK how much up	4	6	5	5	4	4	3	4	5	5	4	5	6
DK,NA	1	1	2	1	1	1	1	1	*	1	1	1	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	4.2	4.5	4.3	4.4	3.9	4.0	4.4	4.5	4.1	4.5	4.9	5.6	5.7
VARIANCE	28	32	41	28	25	26	35	40	26	31	41	60	38
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

* : Less than half of one percent.

CHART 20 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

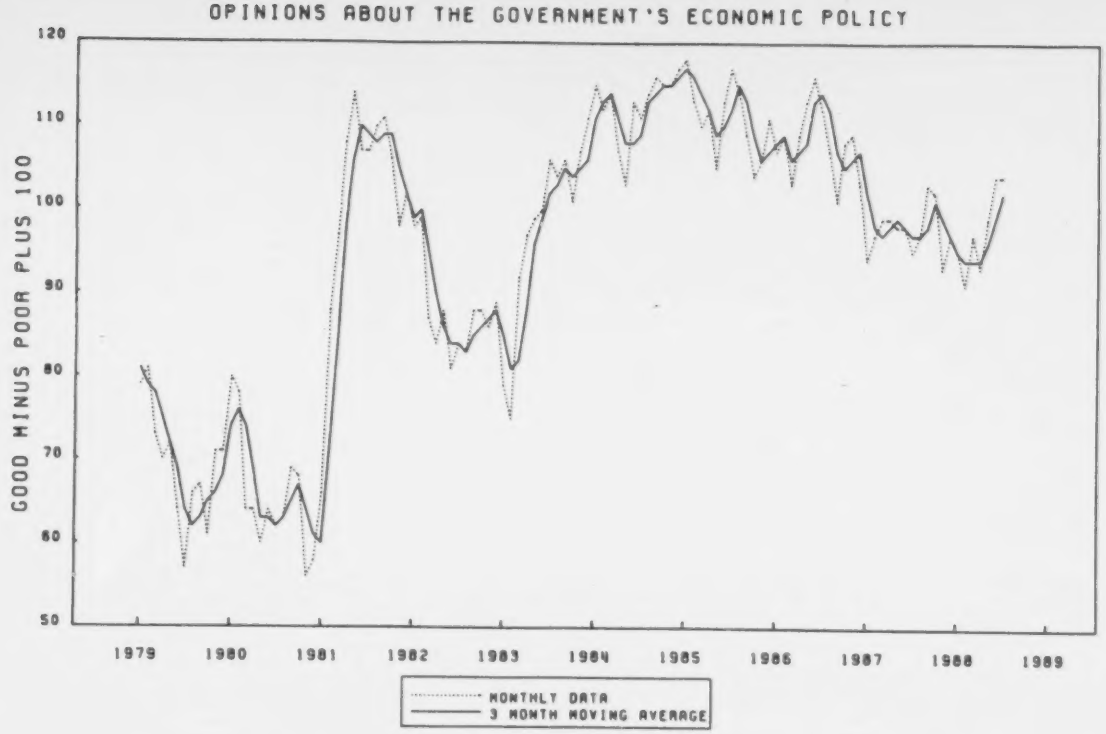


CHART 20 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

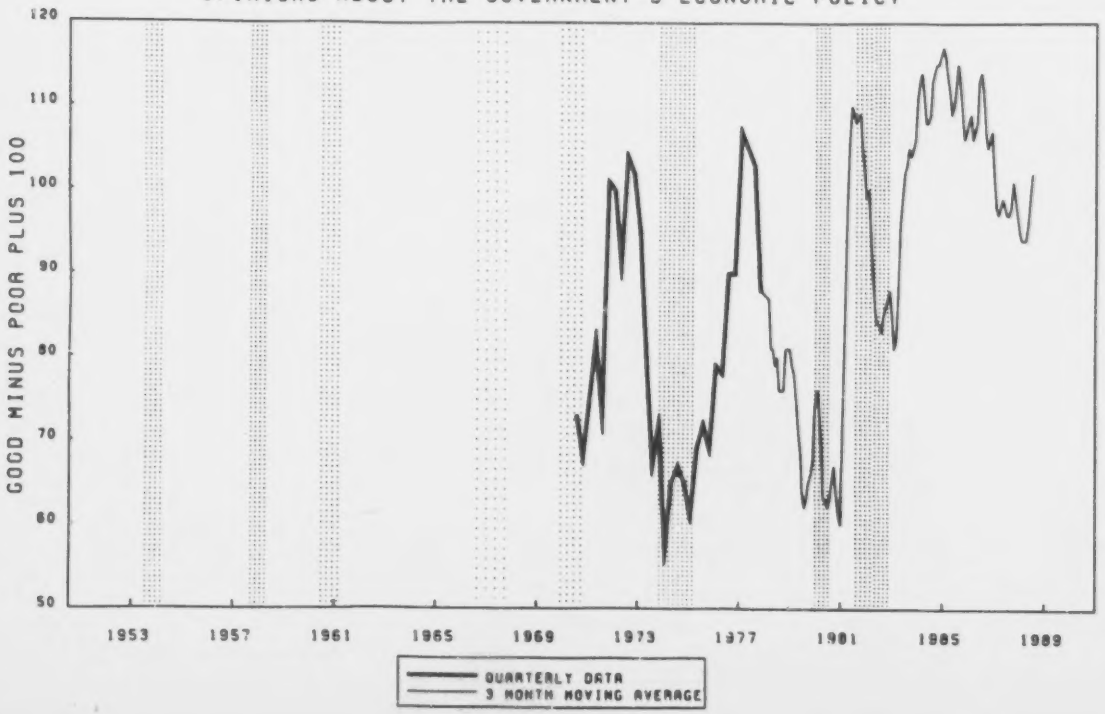


TABLE 20

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
A GOOD JOB	21%	23%	23%	25%	18%	19%	17%	18%	23%	18%	21%	23%	24%
ONLY FAIR	52	48	54	48	54	56	60	53	49	56	56	57	53
A POOR JOB	26	26	20	23	25	22	22	27	26	25	22	19	20
DK,NA	1	3	3	4	3	3	1	2	2	1	1	1	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 21 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

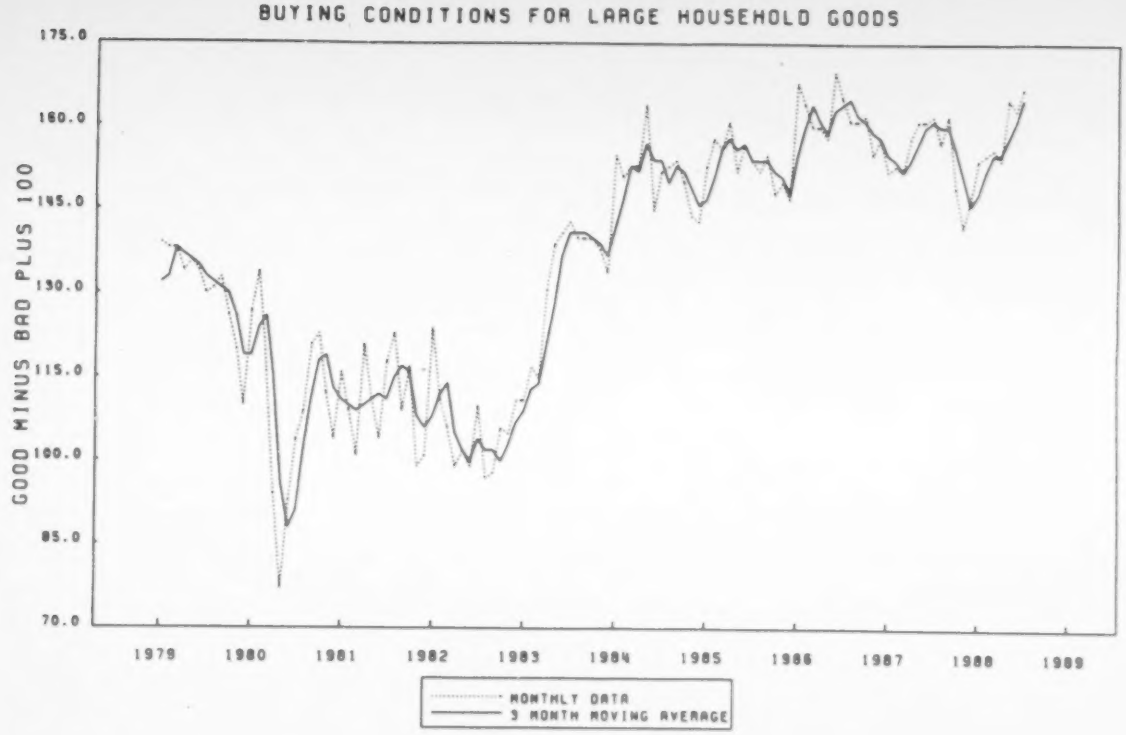


CHART 21 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

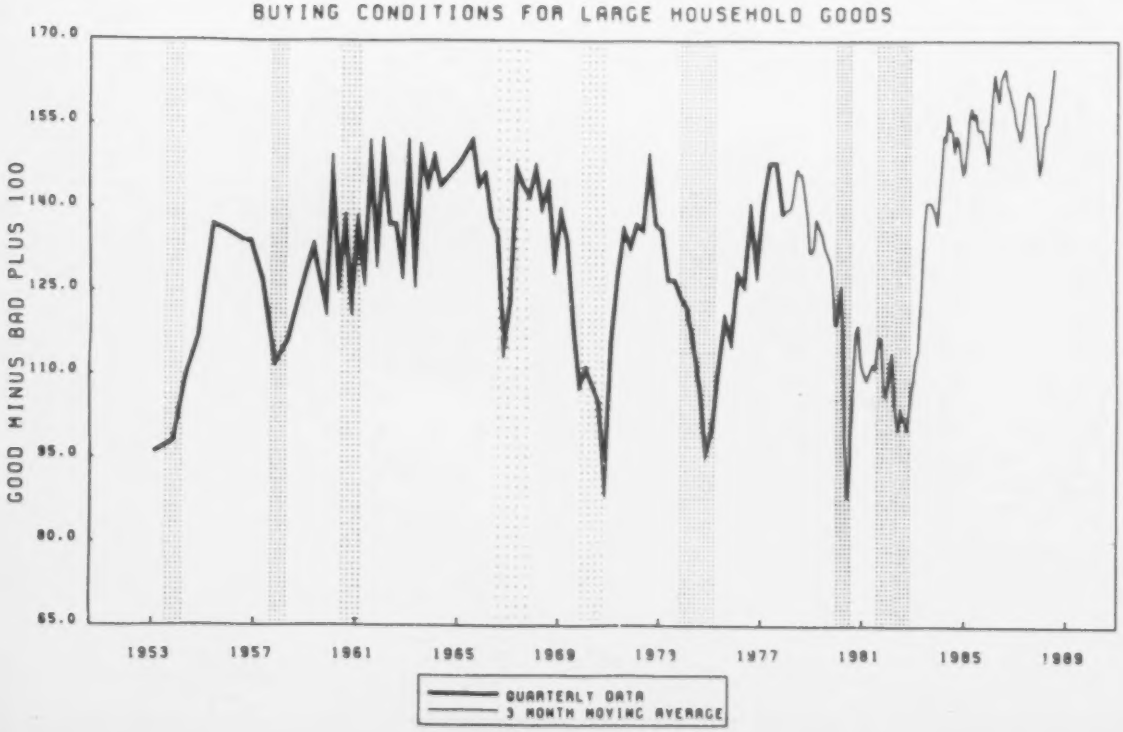


TABLE 21

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	76%	74%	75%	69%	66%	69%	72%	72%	71%	73%	79%	74%	79%
UNCERTAIN, DEPENDS	10	9	12	11	10	9	10	11	14	8	7	15	9
BAD TIME TO BUY	14	17	13	20	24	22	18	17	15	19	14	11	12
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 22A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

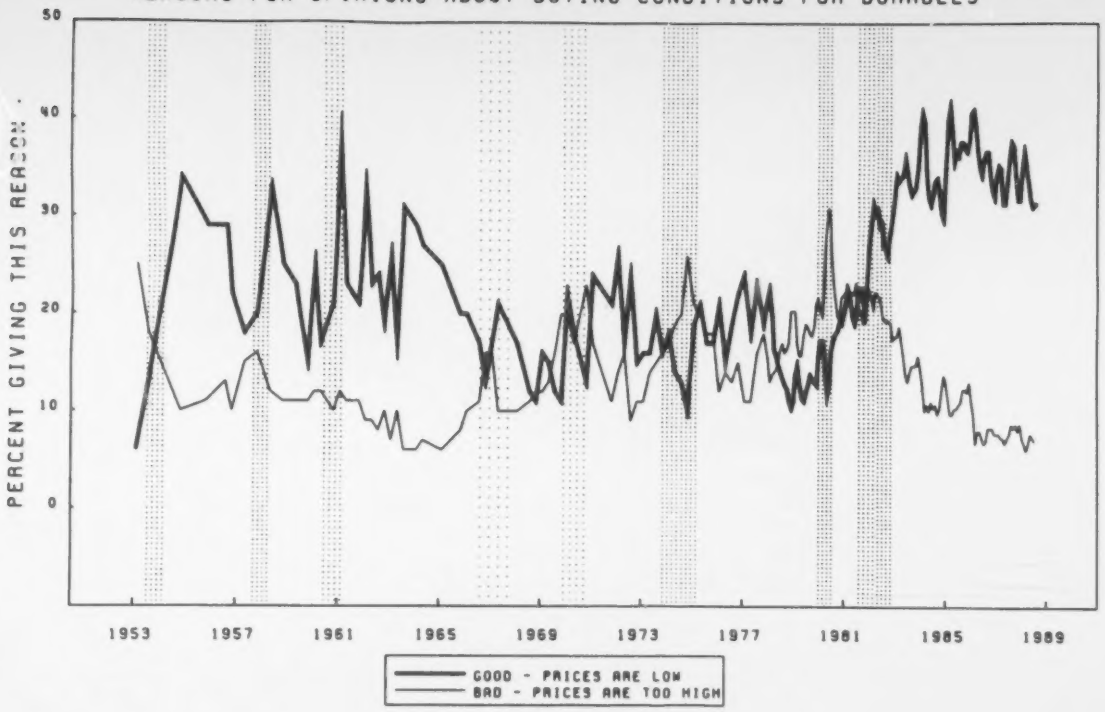


CHART 22B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

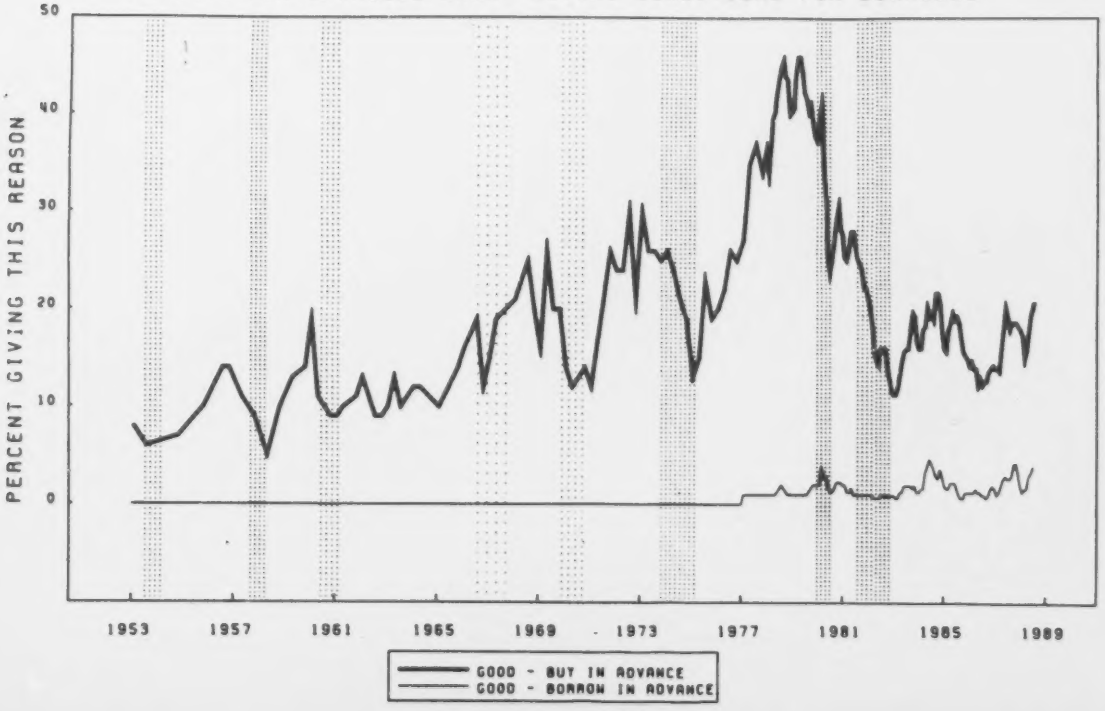


TABLE 22

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	37%	38%	37%	28%	30%	37%	37%	36%	33%	32%	30%	31%	33%
Prices won't come down; are going higher	17	16	23	17	16	22	16	14	15	19	20	20	22
Interest rates low	11	15	11	9	11	8	6	8	10	9	6	8	7
Borrow-in-advance rates	2	3	4	6	3	1	2	1	2	2	5	3	4
Times are good; prosperity	6	6	6	7	4	4	6	7	8	10	7	7	10
BAD TIME TO BUY:													
Prices are high	8	9	8	9	7	10	5	5	8	7	8	7	6
Interest rates are high; credit is tight	3	4	4	4	8	6	4	5	4	4	4	2	2
Times are bad; can't afford to buy	3	5	2	6	4	4	8	6	5	6	3	2	3
Bad times ahead; uncertain future	2	1	1	4	10	5	4	4	2	4	2	1	2

Responses to the query: "Why do you say so?" following the question on Table 21.

+ : May add to more than 100% due to multiple mentions.

CHART 22C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

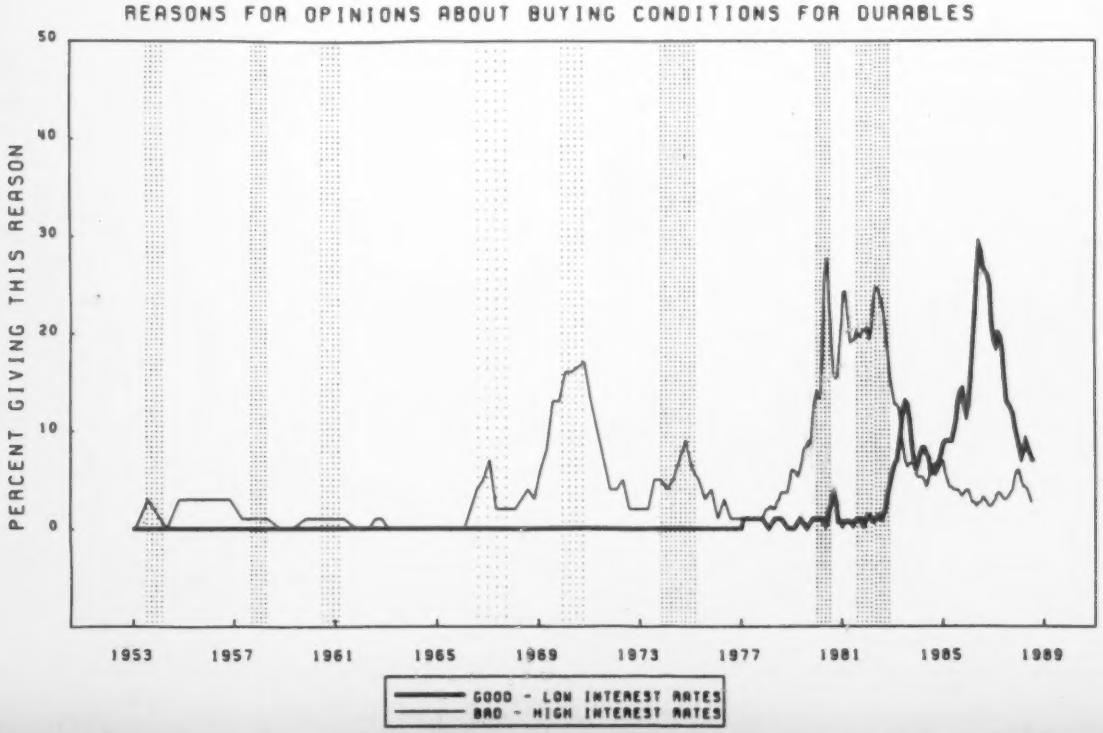


CHART 23 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

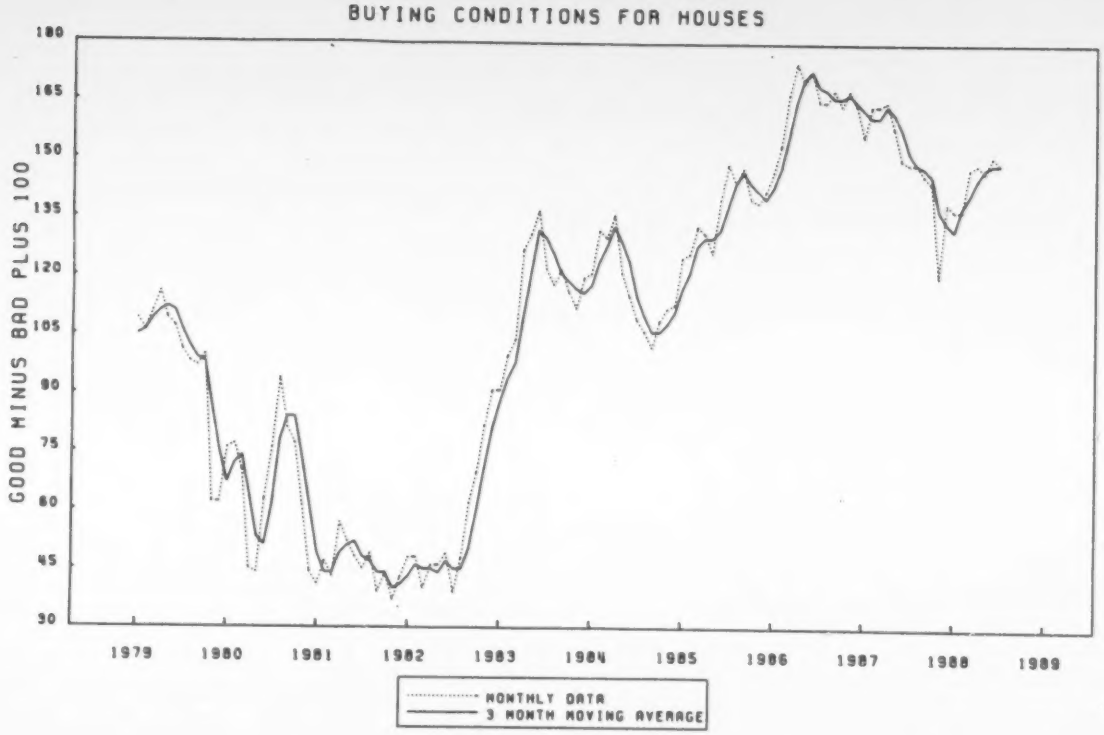


CHART 23 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

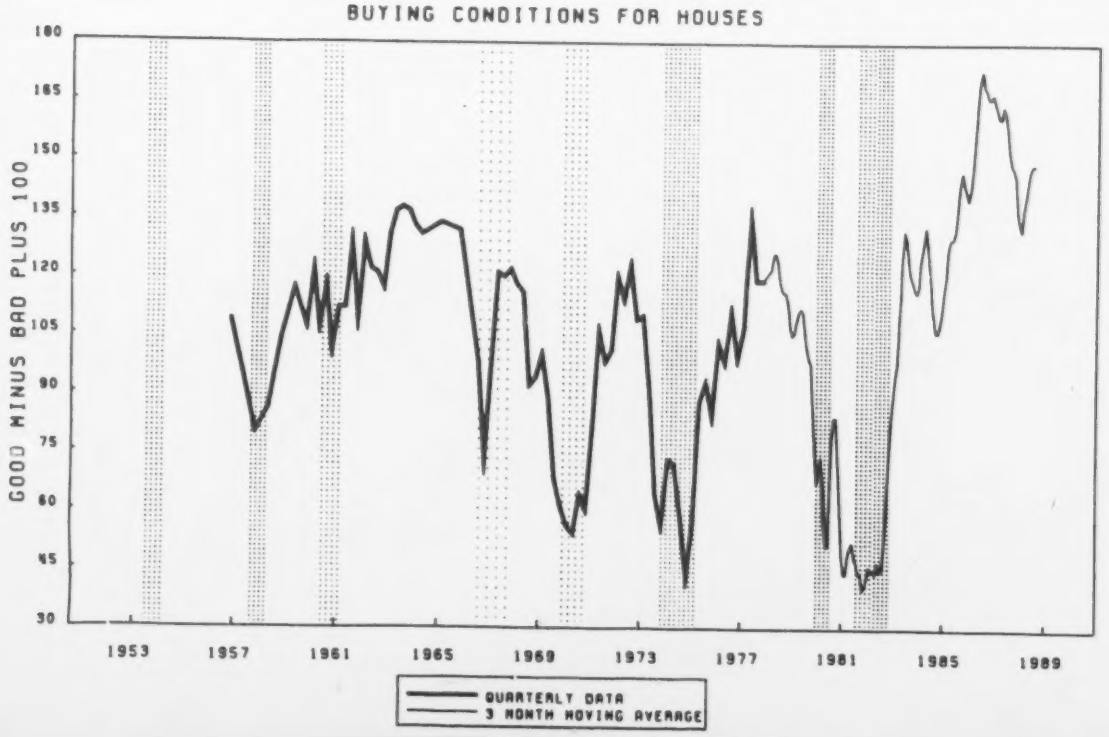


TABLE 23

BUYING CONDITIONS FOR HOUSES

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	72%	73%	71%	70%	58%	68%	67%	67%	71%	72%	72%	73%	72%
UNCERTAIN, DEPENDS	5	3	4	4	4	3	3	3	6	5	3	5	5
BAD TIME TO BUY	23	24	25	26	38	29	30	30	23	23	25	22	23
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 24A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

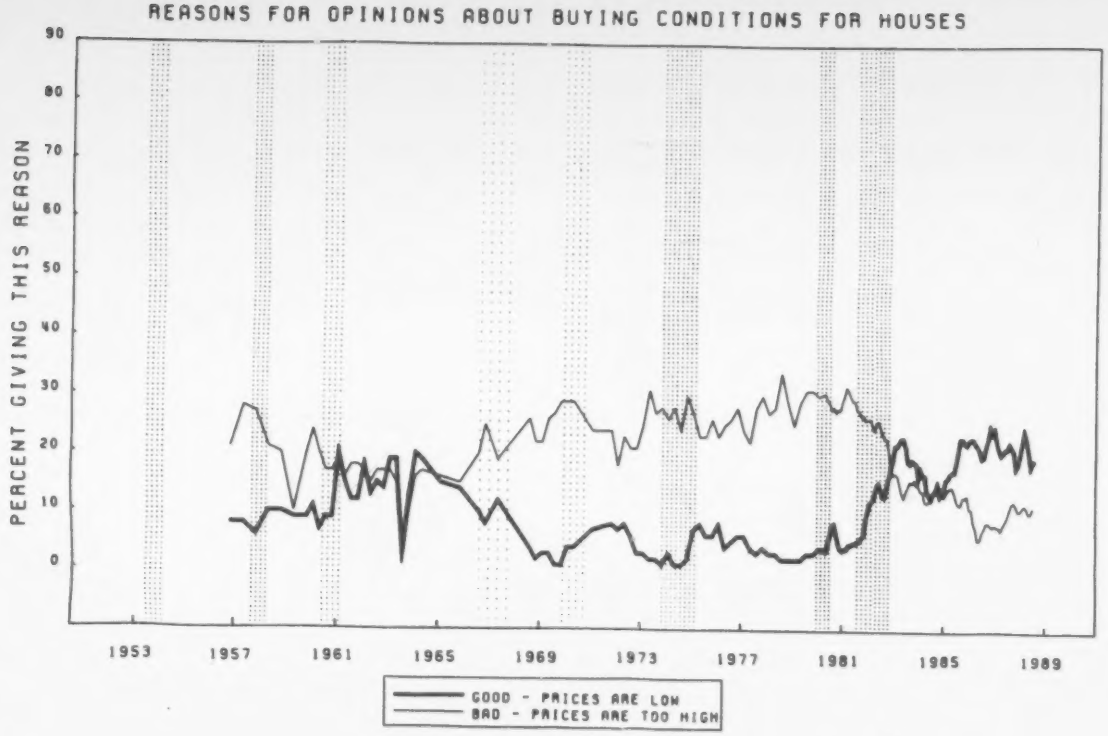


CHART 24B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

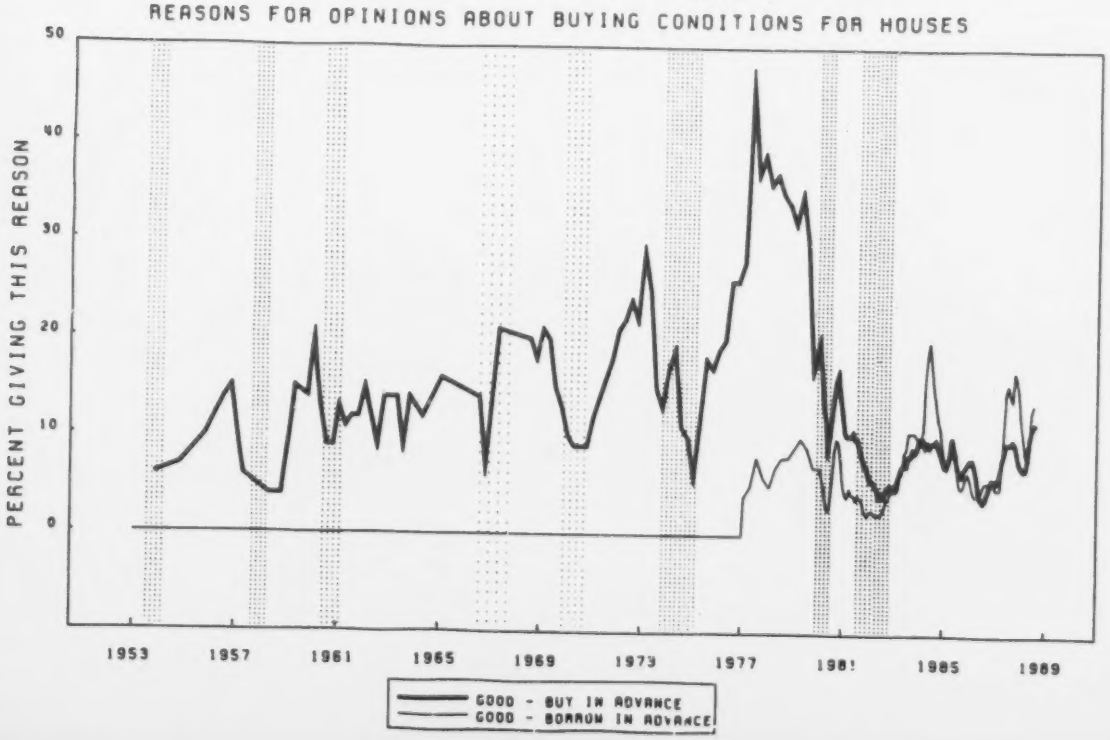


TABLE 24

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	21%	25%	19%	19%	16%	21%	24%	22%	27%	20%	16%	19%	23%
Prices won't come down; are going higher	9	9	12	8	6	9	7	5	9	10	12	12	11
Interest rates low	46	44	37	33	32	40	35	44	47	40	37	34	31
Borrow-in-advance rates	13	13	16	22	11	12	13	6	7	10	14	15	12
Good investment	6	7	7	6	7	9	7	4	6	7	10	6	8
Times are good; prosperity	4	2	5	3	3	3	3	4	4	4	5	5	6
BAD TIME TO BUY:													
Prices are high	10	13	13	11	11	10	11	13	11	10	10	11	13
Interest rates are high; credit is tight	12	10	13	18	19	13	13	15	9	10	12	10	11
Times are bad; can't afford to buy	4	5	5	7	5	7	10	7	8	8	6	4	4
Bad times ahead; uncertain future	1	3	3	4	13	7	5	4	3	4	3	3	2

Responses to the query: "Why do you say so?" following the question on Table 23.

+ : May add to more than 100% due to multiple mentions.

CHART 24C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

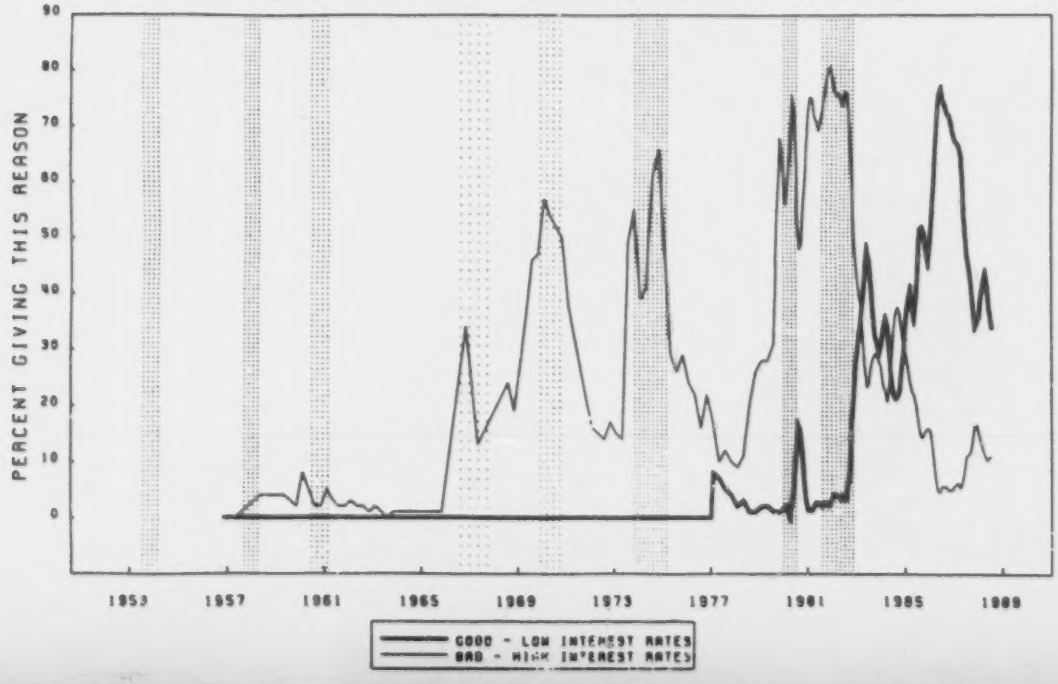


CHART 25 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

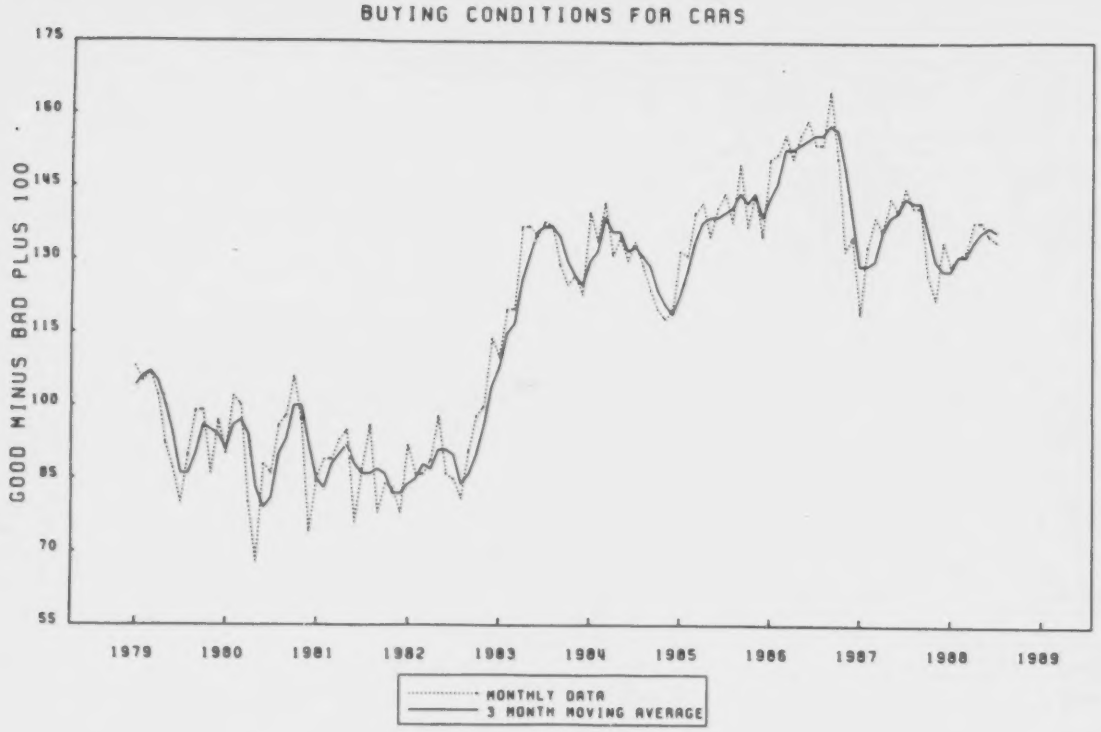


CHART 25 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

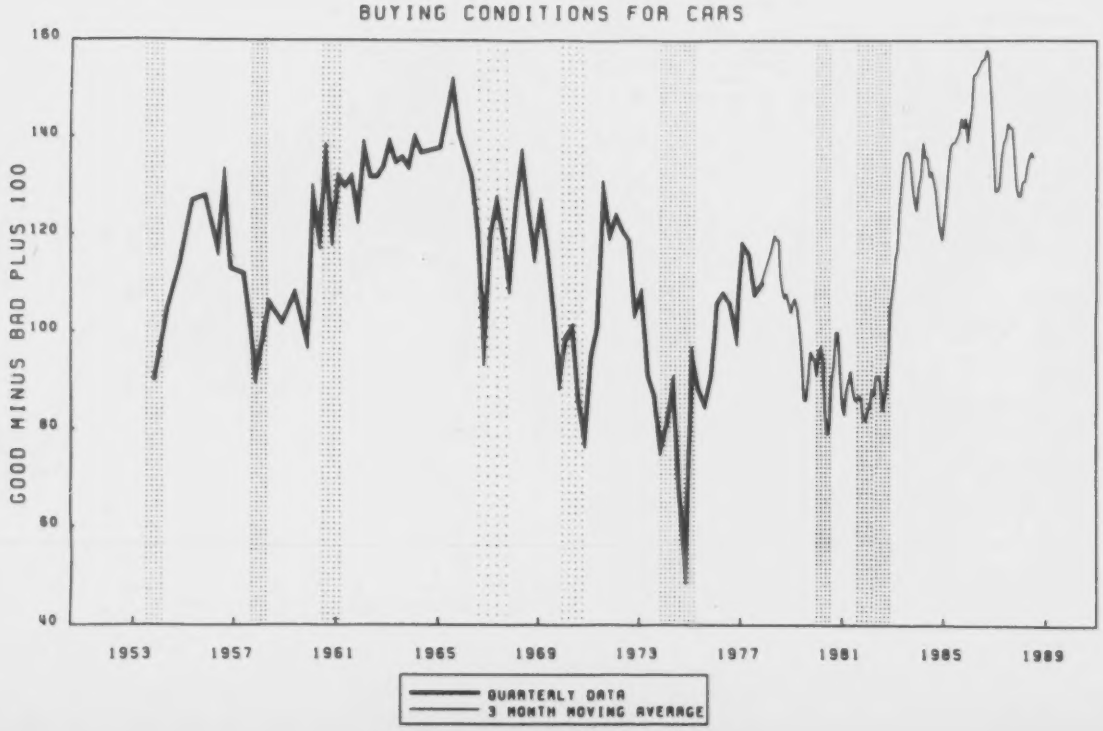


TABLE 25

BUYING CONDITIONS FOR CARS

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY	67%	66%	66%	58%	57%	64%	59%	59%	62%	63%	64%	62%	62%
UNCERTAIN; DEPENDS	11	9	9	11	8	6	11	13	8	12	10	11	10
BAD TIME TO BUY	22	25	25	31	35	30	30	28	30	25	26	27	28
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	651	654	650	500	501	500	502	500	500	504	500	500	500

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 26A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

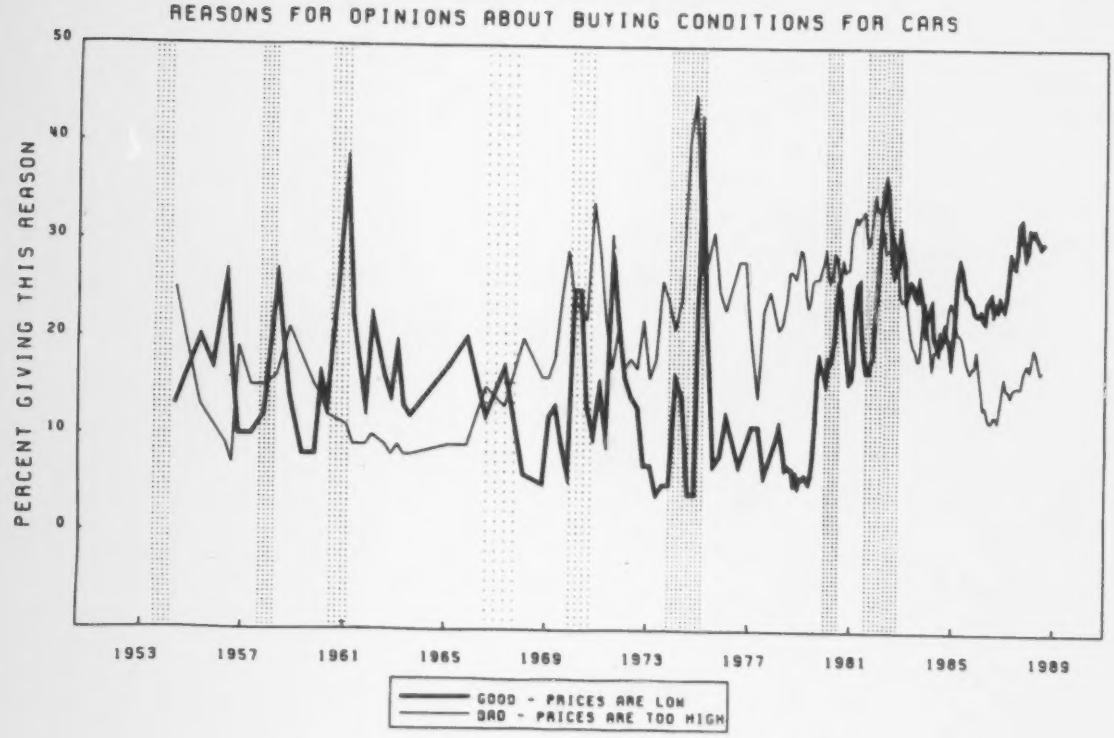


CHART 26B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

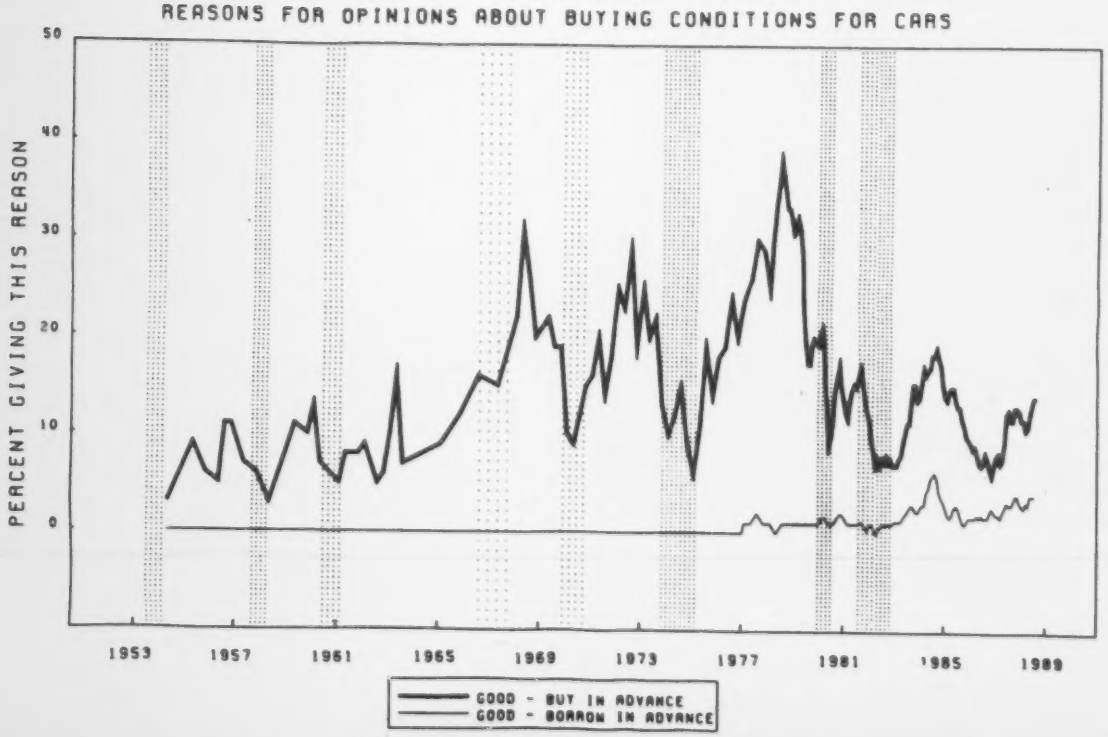


TABLE 26

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	July 1987	Aug. 1987	Sept 1987	Oct. 1987	Nov. 1987	Dec. 1987	Jan. 1988	Feb. 1988	Mar. 1988	Apr. 1988	May 1988	June 1988	July 1988
GOOD TIME TO BUY:													
Prices are low; good buys available	32%	36%	29%	26%	31%	31%	32%	30%	32%	30%	29%	30%	31%
Prices won't come down; are going higher	10	10	15	14	10	14	11	10	11	12	14	14	14
Interest rates low	28	35	36	22	21	21	20	20	20	21	17	16	15
Borrow-in-advance rates	3	3	4	5	3	2	4	2	4	3	5	4	3
Times are good; prosperity	3	2	2	4	2	2	3	3	4	3	4	3	5
BAD TIME TO BUY:													
Prices are high	15	15	16	19	17	17	17	20	21	15	17	18	16
Interest rates are high; credit is tight	5	5	4	7	10	9	5	8	6	6	6	4	6
Times are bad; can't afford to buy	3	3	3	3	4	4	5	4	3	5	3	1	3
Bad times ahead; uncertain future	1	*	1	3	9	4	3	2	2	2	2	2	2
Poor selection; quality	3	5	4	2	2	4	4	3	3	2	2	3	3

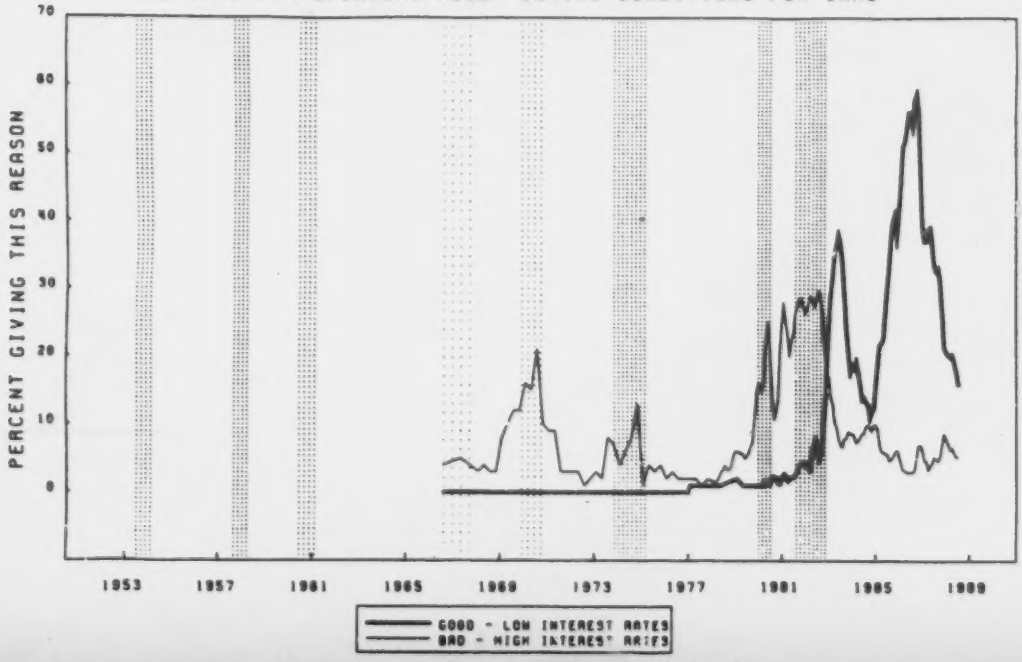
Responses to the query: "Why do you say so?" following the question on Table 25.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 26C - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS



EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES

THE INDEX OF CONSUMER SENTIMENT

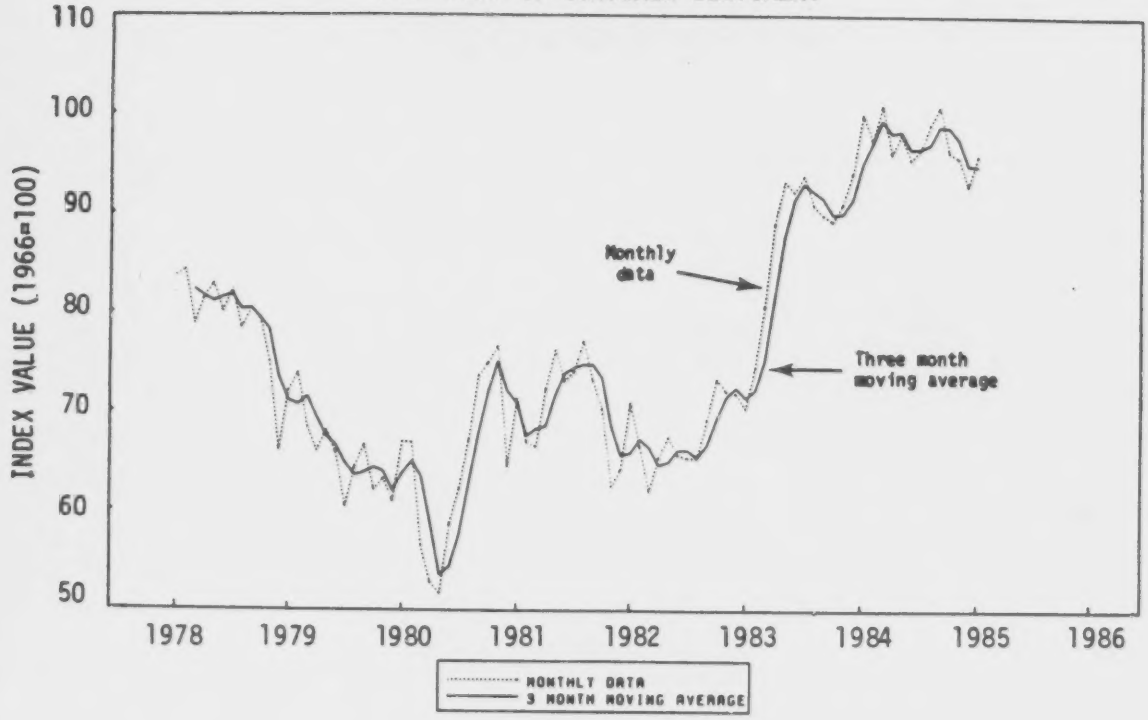
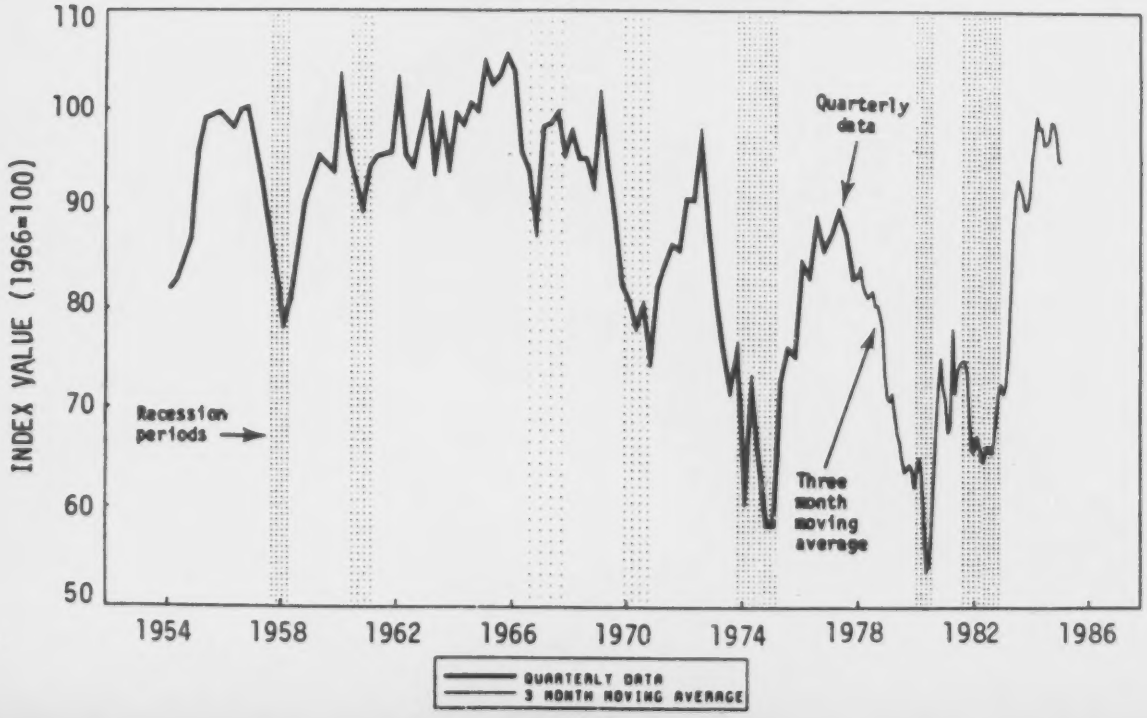


CHART 1 - HISTORICAL SERIES

THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS
(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews					
	500	700	1000	1400	2000	3000
50	4.9	4.2	3.6	3.2	2.8	2.5
30 or 70	4.5	3.8	3.3	2.9	2.5	2.3
20 or 80	3.9	3.4	2.9	2.6	2.2	2.0
10 or 90	2.9	2.5	2.2	1.9	1.7	1.5
5 or 95	2.1	1.8	1.6	1.4	1.2	1.1

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.